New York, Rome, Tokyo, Frankfurt

4 Pan Am Sale

U.S. Will Buy

An Advanced

**Space Reactor** 

From Russia

\$14.3 Million Package

Long-Term Aid Accord

By Thomas W. Lippman

WASHINGTON - The White House an-

nounced approval Friday of the first U.S. pur-

chases of space technology and nuclear material from Russia, a \$14.3 million package billed

as the "first piece" of a long-term plan for aid to the former Soviet Union.

The presidential spokesman, Marlin Fitz-water, said the United States was "trying to

ourture democracy and change" in Russia and

the other republics of the former Soviet Union through expanded trade, and at the same time

to pick up bargains in "high technology areas that have not before been readily available to

Authorization for the imports had been bogged down by disagreements within the Bush

administration over the implications for U.S.

national security of any deals that support the former Soviet military and its nuclear appara-

tus.

The White House amouncement followed a surge of criocism from Congress and from some senior Republicans — including former

presidents Richard Nixon and Ronald Reagan

to encourage Russia and the other republics to

transform themselves into free-trading democ-

- that the United States was not doing enough

The administration has been seeking ways to

help Russia and Ukraine especially keep their

nuclear scientists employed in peaceful ven-

tures so they can resist offers to work in poten-

tially troublesome countries such as Iraq. The

administration has committed \$25 millioo to an international fuod to set up an institution in Russia where former nuclear scientists can find

The United States has no immediate need for

any of the materials to be imported, and Mr.

Fitzwater said the transactions are "not a hand-

out or a windfall to anybody." Rather, he said, they are "a beginning of a serious examination by both countries of ways in which we can buy

Called 'First Piece' in

## Iran Rearms in Bid For Power in Gulf

### U.S. Says Bill for Weaponry **Drains Economy in Tehran**

By R. Jeffrey Smith

Washington Post Service
WASHINGTON — The Iranian government is buying \$2 billion worth of weapons from foreign suppliers each year in a drive to become the preeminent power in the Gulf once again, the director of central intelligence, Robert M.

Gates, said Friday. Russia, China and North Korea have been the principal sellers of arms to Iran, although it is oow trying to buy hundreds of tanks from East European suppliers, Mr. Gates told the House Committee on Armed Services.

Iran's burgeoning foreign-made arsenal includes advanced war-planes, anti-aircraft missiles and extended-range Scud missiles. Mr. Gates said Iran also may be obtaining some Russian submarines.

Mr. Gates also told the committee that Iraq retains several hundred Scud missiles, covert nuclear equipment and the means to make chemical and biological weapons, news agencies reported. U.S. intel-ligence has found that "significant reconstruction" has taken place at about two dozen military-industrial sites in Iraq, he said.

"阿厘

[Despite progress in destroying Iraq's weapons of mass destruction, he said, limited production of artiflery and ammunition also has resumed.

resumed.

["We believe Baghdad has been able to preserve significant elements of each of its special weapons programs," Mr. Gates said.

"Once it is free to begin rebuilding them, its scientists and engineers will be able to hit the ground running."

ning."]
Mr. Gates's testimony on the Iranian rearmament effort added new detail to earlier U.S. descriptions by indicating that the total cost of its foreign-made weapons from 1990 to 1994 was expected to be \$10 billion. That amount is considered substantial in light of Iran's continuing struggle to repair its economy from damage inflicted during the 1980-to-88 war with

Iraq
"It is a real drain on their econoer. "There will be a lot of belt-

tightening to make it possible." Although Mr. Gates described several recent indications that Iran is behaving moderately toward its neighbors, he presented a highly pessimistic view of its long-term goals in a brief statement before the committee went into a private ses-

Mr. Gates said that Iran was one of several nations in the Middle

East that were hostile to U.S. inter-

"Its clerical leadership has not abandoned the goal of one day leading the Islamie world and re-versing the global dominance of Western culture and technology," he said.

moderation, Mr. Gates cited its effort to restrain Azerbaijan in its conflict with Armenia over the enelave of Nagorno-Karabakh. He said that within the Middle East, the Iranian president, Ha-

The U.S. accuses Libya of misusing the World Court. Page 3.

shemi Rafsanjani, was "trying to cultivate an Iranian image of responsibility and respectability." That image, be said, was aimed at fostering foreign investment and appealing to the other Islamic countries, with which Iran wants

Mr. Gates said the United States saw "no evidence of Iranian efforts to suhvert the secular governments" of Asian nations created by the breakup of the Soviet Union. Such a move would create anxiety in Moscow, where officials have expressed concern about the potential spread of Iran's revolutionary

brand of Islamic ideology.

"For now, at least," he said,
"Iran seems to want to preserve amicable relations with Russia, which has become a major source

But Mr. Gates also said that Iran's growing support of radical Palestinian groups may bring it closer to some Arab states, such as

He said that the United States expected Iran to continue its strong opposition to the Middle East

Iran probably also would "promote terrorism and other active measures aimed at undermining progress toward Israeli-Palestinian reconciliation." he said.

Mr. Gates reiterated an earlier Central Intelligence Agency assertion that Tehran was seeking acquire nuclear weapons capability, but he added that it was unlikely to achieve the goal before 2000.

Mr. Gates's comments on Iraq followed a new round of promises from Baghdad that it had destroyed large oumbers of its weapons of mass destruction, including Scuds and chemical warheads. United Nations inspectors are still in Iraq as the weapons destruction



Women runmaging through discarded cartons Friday at a Moscow street stand. They were hunting eggs that might have been overlooked.

From Russia With Muscle: Helicopters Fill a Niche

the West. There, they are used to haul economy and exports.

# Moscow's Vendors Find an Ex-Crime Does Pay

By Michael Dobbs Washington Past Service

MOSCOW - Vladimir Kovalenko, an airline steward, stood in the shadow of the once dreaded Lubyanka prison, bawking a fresh 15-pound pineapple he had brought back from a trip to Africa. Within mioutes, someone had paid him the equivalent of his moothly salary for what, hy Russian standards, is a fantas-

By Michael Richardson

heavy-lift helicopters of the Russian

Repoblic, once unused and untested

outside the former Soviet bloc, are be-

coming a fixture in Asia at the remote

exploration camps operated by West-

ern oil companies in Burma and Papua

Since the end of the Cold War, the

helicopters, once confined to the Soviet

Union oo military orders to protect

their technology, have found a small

but expanding place in mining, logging

New Guinea.

sonal Herold Tribune

belping prospective customers try on leather jackets. Russian grandmothers were holding up bottles of shampoo.

A chauffeur for a government ministry was selling packets of macaroni from the trunk of an official car. A surprisingly well-organized team of drunken men was selling beer and vodka from a stall made of overturned cardboard boxes. As Russia lurches fitfully toward a

A few yards away on the crowded sidewalk, young Azerbaijanis were market economy after seven decades of central planning, a revolution of sorts is taking place in the streets of Moscow.

erect power lines, and carry oil derricks

At the same time, the helicopters

have become a test for how successfully

the military sector of the Russian acro-

space industry can be converted to

The Russian Republic, which has in-

herited most of the aerospace design and manufacturing plant of the former

Soviet Union, is looking to the aircraft

and transport housing modules and

sections of oil pipelines.

profitable civilian use.

Over the past few weeks, the center of the Soviet capital has been transformed into a sprawling and virtually unregulated street market. What was once labeled "speculation" - a crime under the Russian penal code punishable by two years in prison - is suddenly being viewed by the authorities

as honest commerce, The number of sidewalk vendors in some parts of the city is now so great that they have virtually taken over adjacent state-run stores. Street vendors line the aisles of the largest children's

and construction industries of Asia and industry as a key sector for reviving its support Western oil exploration in the

"niche for themselves in the Western

oil industry and are likely to be there

on a permanent basis, in all probability

in increasing oumbers," said Patrick Lloyd, director of Aerolift Internation-

al Ptc. Acrolift, a Singapore company, is the largest operator of Russian heavy-lift helicopters outside the Com-

Since August 1990, Aerolift has leased 11 helicopters from Aeroflot, the

former Soviet airline. It is using them to

monwealth of Independent States.

Children's World, just opposite the Lubyanka, blocking access to the half-empty shelves. The network of surrounding streets is packed with people selling everything from tonthpaste to

"What is going on here is a complete disgrace, of course, but it is the only way out of the present crisis," said Alexandra Ivanova, 65, a retired street-car driver, as she tried to interest pass-

jungles and mountains of Burma and

Acrolift's Russian fleet consists of 10

KA-32s and one Mi-26, the largest and

most powerful belicopter in the world.

The helicopters come with Russian pi-

The KA-32 and the Mi-26 can lift

heavier and larger loads than compara-hle Western helicopters. This saves

time and money for companies shifting

See COPTERS, Page 9

lots, spare parts and support crews.

See SIDEWALK, Page 5

### their technology and they can benefit." The Russians "are selling because they oeed the money," a senior administration official said at a White House brieflog.

Both that official and Mr. Fitzwater said the United States was buying because it had an opportunity to pick up, for relatively little moocy, technology and materials that are not avail-able in America and would cost tens of millions of dollars to develop and produce.

Mr. Fitzwater said the Energy Department

would be allowed to oegotiate with Russia to buy about \$6 million worth of plutonium 238, a heat-generating radioactive isotope that might be needed to provide power for deep space

exploration.
The United States has enough plutonium 238 for the only mission currently planned, the Cassini probe of Saturn. But it would have to reactivate old nuclear reactors at great cost to

produce any more, according to Assistant Energy Secretary William H. Young. The air force is authorized to acquire a \$7.5 million Russian Topaz II space nuclear reactor, which is to be sent to a laboratory in New

Mexico for a study of its technology. And the Defense Department is authorized to hay four Hall thrusters, electrically powered devices used to position satellites in space. The government will also approve an appli cation from a private firm to import the Hall

thrusters, Mr. Fitzwater said. White House officials declined to identify the company. Separately, the Energy Department an-

nounced Friday that it bad received State Department approval to sign an international agreement to join Russia, Japan and European See AID. Page 5

# Ankara's Quest: To Handle Kurds and Still Be Embraced by West

By Alan Cowell New York Times Service

DIYARBAKIR, Turkey - Halit Gungen had written the kind of scoop that plays well in this southeastern city, which regards itself as the capital of Turkey's large and restive

In an anti-government weekly magazine, he wrote of links between a shadowy govern-ment security unit and an Islamic fundamentalist front whose members, he said, were

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Business/Finance

percent in February.

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Down 4

36.23

Crossword

trained by the authorioes and used as death squads to assassinate Kurdish separatists. Two days after the magazine appeared in

Germany bans arms shipments to Turkey over Ankara's policy on the Kurds. Page 2.

February, his associates said, the journalist, himself a Kurd answered a knock at his office door. Someone on the doorstep shot him in the head, killing him.

Six days later, Cengiz Altun, another Kurdish journalist, died of gunshot wounds in the southeastern city of Batman alter writ-ing about reported human rights abuses. They were not the first to die in unexplained and sinister circumstances.

The killings, said Sabahattin Acar, a law-yer and secretary of Diyarbakir's buman rights league, fit a pattern of political attacks that have taken 62 lives since the beginning of last year. They have raised new and troubling

questions about Turkey's handling of a crisis that pits a Marxist Kurdish separatist group against the authorities in an increasingly violent guerrilla war.

The conflict, diplomats in Ankara said, has assumed more significant proportions as new and ethnically oriented nation-states in the former Soviet Union and Yugoslavia fan Kurdish naoonalist sentiment.

And for the staunchly pro-Western authorities in Ankara, the conflict restates a

central riddle of Turkey's modern identity: How does it cope with an insurgency that wants to dismember the country, and at the same time seek full membership in the European Community, as well as acceptance among Western European nations demand-

ing human rights practices that have little resonance here? For eight years, the Turkish authorities

See KURDS, Page 5

# Tyson Settles Into New Lodging as No. 922335

Compiled by Our Staff From Dispatches INDIANAPOLIS - Mike Tyson began a new life on Friday, as convict number 922335 in the Indiana prison system, while his lawyers tried to get him out of prison for the year or more it may take the courts to rule on the appeal of his

Tape conviction.

A three-judge panel of the Indiana Court of Appeals said Friday that it needed more time to make a

decision on the bail question, and it A.M. and began a hattery of physiasked lawyers for more informa-tion. It did not indicate when a

decision might be reached. Mr. Tyson spent the night in a cell at a diagnostic and screening center at Plainfield, just outside indianapolis, a facility to which all new prisoners are sent for evaluation to determine which prison they

should be sent to for their sentence.

A spokesman for the State De-

partment of Correction said Mr. Tyson was assigned a single cell because of "a propensity for temper outbursts and mood swings."

"We want to be able to get him in the system and see how he adjusts before assigning him a cellmate," Mr. Tyson was awakened at 5 said Kevin Moore, a public infor-

mation specialist for the state. "That's not unusual." The center has an outdoor bas-

ketball court but no running track or weight room, he said. Mr. Tyson jogged regularly during his twoweek trial that ended with his conviction Feb. 10.

He will be assigned to a prison within 45 days, Mr. Moore said. Mr. Tyson faces six years behind

See TYSON, Page 15

# Warren Buffett's Bad Week at Salomon

By Lawrence Malkin

International Herald Tribate NEW YORK - This was supposed to be

the week Warren E. Buffett was waiting for. The aw-shucks billionsire from Omaha told the stockholders of Salomon Inc. that his cleanup task was almost finished and that he was ready to give up his \$1-a-year chairmanship and go home.

But after a week of problems capped by a huge, accidentally placed stock-selling order on Wednesday, maybe he ought to stick around awhile

It emerged that Mr. Buffett's predecessor, who had departed under the cloud of scandal, claimed he had been done out of millions of dollars in back pay. And Mr. Buffett's handpicked chief executive was billing the firm \$1,000 a day for a hotel suite because he did not have time to look for permanent digs. Finally and most seriously, a clerk made a multimillion-dollar trading mistake, raising questions not just about the operations of the huge securities firm but about the stock mar-

"If they can do it by accident, they can do it on purpose," said the financial writer Martin Mayer, whose latest book is titled "Stealing the Market."

To begin at the beginning of a turnultuous week, Mr. Buffett disclosed in a letter to stockholders that as soon as federal investigators completed their work on the Treasury auction scandal that had brought him to New York in August to take active command of the firm from John H. Gutfreund, he would find a new nonexecutive chairman to guide policy for the firm.

Its day-to-day operations would remain in charge of Deryck C. Maughan, the workaholic administrator who was passed the poisoned chalice after Mr. Gutfreund's departure in disgrace. Mr. Maughan did the dirty work of dumping many high-rolling traders who made billions of dollars for the firm in the 1980s, slimming down the unprofitable stock trading operation, and nevertheless trying to keep a more tightly controlled, careful ly monitored firm profitable while elients shied away as the Feds looked through the

Accompanying that letter was a proxy statement showing that although Mr. Buffett got only \$1 for his rescue efforts, his investment company was paid \$158,688 for the use of its corporate jet, which he has named The Indefensible. When in town, he stays at the Marriott Financial Center hotel for \$190 a

Mr. Maughan earned \$5.27 million, twothirds of it delayed from earlier years when be was building up Salomon's operations in Tokyo, and has temporarily installed his family at the Mark Hotel, where the rates range from \$265 to \$1,800 a night for a suite. A Salomon spokesman said Mr. Maughan would move as soon as he could take time out from reorganizing the firm.

The fine print also disclosed that Mr. Gutfreund was demanding at least \$12.2 million in bonuses, severance pay and stock options after Salomon offered him a leaden handshake of only \$1.14 million and refused to provide him an office or pay his legal fees. Thomas W. Strauss, who was kicked out

See SALOMON, Page 5



In Europe, the Switch Is On to Summer Time

Europe will make the annual switch to summer time at 2 A.M. on Sunday, when clocks should be set ahead one hour, to 3 A.M. Eastern Europe also makes the change Sunday.

For most of Europe, summer time runs until Sept. 27. Britain and Ireland change back on Oct. 25. In the United States and Canada daylight time begins April 5 and lasts until Oct. 25



President Kurt Waldheim of Austria, left, and Chancellor Helmut Kohl of Germany after their lunch in Munich on Friday. Mr. Kohl was later angry at critics of the meeting.

Washington Past Service BERLIN - Chancellor Helmut Kohl on Friday angrily blasted American Jewish critics of his decision to invite the shunned Austrian president, Kurt Waldheim, to

Emerging from the lunch — the first time in five years that a Western leader had met with Mr. Waldheim outside Austria - Mr. Kohl told reporters: "Whom I meet here in Munich, I as chancellor will decide. I do not

need any advice on that." Mr. Kohl greeted Mr. Waldheim at a redcarpet ceremony at Munich's airport and later defended his invitation, saying that the Austrian leader was freely elected by citizens of his country and that Austria was a close friend and neighbor of Germany.

The Bavarian premier, Max Streihl, co-host of the Kohl-Waldheim lunch, told reporters after the meal that he could not understand "this whole hrouhaha."

successful United Nations secretary-general newscast as the 14th and last news story,

**Iranians** 

Call for

month.

Vengeance

NICOSIA - Tens of thousands

of Iranian protesters urged Mus-

lims worldwide on Friday 10

avenge the death of a Lebanese Shiite cleric killed by Israel last

Chanting "death to America" and "death to Israel," demonstra-

tors took to the streets of Tehran

for the officially organized Jerusa-lem Day rally, the Iranian press

agency IRNA reported. The annual

event, supporting the liberation of

Jerusalem from Israeli rule, was de-

creed by the late Ayatollah Ruhol-

lah Khomeini four years ago. The rally ended at Tehran Uni-

versity at noon with a resolution

condemning Israel, followed by

prayers led by Ayatollah Khomei-ni's successor as spiritual leader. Ayatollah Sayed Ali Khamenei. Israel radio reported that Iran

was calling on Muslims to attack

Israeli targets around the world,

But the resolution did not specifi-

cally name (srael. It urged "revenge

against the enemies of Islam."
"This nation will continue to

support the oppressed children of Palestine until the liberation of no-

hle Jerusalem," IRNA quoted Iran

as saying in the resolution. "We

firmly declare that the Iranian na-

tion will continue to consider the United States and the Zionist re-

It urged "committed Muslims"

around the world to avenge the

death of Sheikh Abbas Musawi, the

leader of the pro-Iranian Hezbol-lah, who was killed with his wife

and 6-year-old son when Israeli he-

licopters attacked his convoy in

Islamic Jihad, the group under

the Hezbollah umbrella that held

many of the Western hostages in Lebanon, claimed responsibility

for the March 17 bombing of the

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that killed at least 28 people.

gime as its No. 1 enemies.

southern Lebanon.

Mr. Waldheim won office despite revelations that while a lieutenant serving with German forces in 1942, he was involved in deporting 488 Yugoslav citizens to labor foreign political damage."

Mr. Waldheim, who is to leave office when his six-year term expires in June, has denied committing war crimes, saying that he can "no longer recall details" of wartime service. The United States has banned him from the country since 1987.

Although Jewish leaders in both Germany and the United States sharply criticized Mr. Kohl for breaking Mr. Waldheim's isolation by Western nations, the chancellor's decision to receive him caused few ripples in Germa-

No major German newspaper mentioned the visit. The subject did not come up at the regular Bonn government news conference "What is all this nonsense about?" he Thursday afternoon. The Waldheim visit asked adding that Mr. Waldheim had been a was noted on one major German television

criticized Mr. Kohl's invitation only after two days of requests for comment, saying that Kohl "once again is putting up with

Simon Snopkowski, chairman of Munich's Jewish community, called the meeting with Mr. Waldheim "outrageous and disappointing." And the Bavarian chairman of the Free Democrats, the junior partner in Mr. Kohl's coalition, said the invitation "betrays a marked deficiency of foreign policy intuition" on Mr. Kohl's part.

The party chairman, Jürgen Döblin said Mr. Kohl helped Mr. Waldheim achieve a breakthrough in the isolation imposed on him by "civilized states."

The international damage of the Waldheim visit is considerable," he said. Mr. Kohl accused the World Jewish Con-

gress, which Thursday called the chancellor's decision to see Mr. Waldheim an example of "shocking moral insensitivity," of opposing German reunification at the end of 1989, The

for 10 years and won more than 55 percent of the vote when he was elected president in 1986.

The opposition Social Democratic Party chancellor said the New York-based Jewish organization failed to respond to his request for an explanation of remarks criticizing unification "in an unheard of manner."

> But the Congress's executive director, Elan Steinberg, said that "Chancellor Kohl should read his mail." He said a response from the Congress president, Edgar Bronfman, was sent more than three months ago.

In early 1990, Mr. Bronfman delivered a speech in Berlin, with Mr. Kohl in attendance, at which the Jewish leader reminded Germany of its responsibilities toward Jews hut said that the Jewish people did not oppose German unity.

"Chancellor Kohl has brought shame to Germany," Mr. Steinberg said. He said that President Richard von Weizsacker, by refusing to meet Mr. Waldheim, had defended Germany's honor.

"I hope Germany will choose the path of honor rather than the path of shame."
Aside from meeting Mr. Kohl, Mr. Waldheim received an award for his contribution to freedom from the conservative Pentinger Collegium foundation, a private group.

WORLD BRIEFS **Mitterrand** 

### South Africa Suspends Executions JOHANNESBURG (AP) — The South Africa government suspen the executions of death row inmates on Friday, reversing a decision

earlier this week that drew widespread criticism. Justice Minister Hendrick Coetsee said in a statement that no execut tions would be carried out until white and black leaders negotiating constitution considered the issue as part of a bill of rights. He said judges would continue to have the power to sentence people to death.

"However, these sentences will not be carried out pending the outcome of negotiations on an interim bill of fundamental rights," Mr. Coetsee said. On Monday, the government said it would resume executions after a moratorium imposed by President Frederik W. de Klerk in February.

### Irish Abortion Foes Target EC Pact

DUBLIN — Irish anti-abortion groups Friday threatened to campaign; against ratification of the Maastricht Treaty on European Union.

Their warnings followed two major concessions proposed by the Irish government on abortion: Irish women will be free to travel elsewhere for the concession and a least the concession and a least travel elsewhere for the concession and the concession and the concession are concession. the operation, and a ban on abortion counseling and information is to be lifted. The policy shifts were contained in a revised section of the treaty put to Ireland's II European Community partners for approval. The original confirmed that abortion would remain illegal in Ireland.

Foreign Minister David Andrews, who is eager to quell the antiabortion groups' concerns and get the treaty ratified, stressed: 'There is no question whatsoever of abortion on demand being made available as this would be utterly unacceptable to the Irish government and people."

### Bosnia-Herzegovina Asks UN Help

SARAJEVO, Yugoslavia (Reuters) - Bosnia-Herzegovina asked the United Nations on Friday to send in military observers to stop the

breakaway Yugoslav republic from slipping into civil war.

"The situation in the republic is seriously deteriorating," Ejup Ganic, a member of Bosnia's collective presidency, wrote in a letter to Secretary. General Butros Butros Ghali.

The UN force of 14,000 peacekeeping troops has begun deploying in neighboring Croatia, to keep order among Serbs and Croats who have been fighting there since June. The UN headquarters is in Sarajevo, the Bosnian capital, but the force will not operate in that republic.

### French Transfer Greenpeace Group PAPEETE, Tahio (UPI) - About 20 activists belonging to the

environmental group Greenpeace arrived Friday in Papeete, hours after they were taken into custody by the French Navy for trying to land on two Pacific atolls in an effort to disrupt underground nuclear tests.

French anthorities said seven foreigners in the group, including the former Soviet environment minister, Nikolai N. Vorontsov, were to be sent to New Zealand. The others, all French citizens, were to be turned over to judicial authorities and were expected to be charged with criminal

The group was flown to Papeete aboard a military jet from Mururos. Atoll, where they had tried to establish a base and take soil and water samples, seeking to prove that nuclear tests on the island are causing serious environmental damage. The Greenpeace ship, Rainbow Warrior II, was taken to a port on an atoll near Maruroa to ride out a tropical

### U.S. Evangelist Heads to North Korea BEIJING (Reuters) - The Reverend Billy Graham, the American

evangelist, said Friday that he had been given permission to preach in

Mr. Graham, 73, said he would would leave for Pyongyang on Tuesday and would preach at Protestant and Catholic churches and give a lecture to students at Kim Il Sung University.

He said it would be the first time a foreign evangelist had preached in.

North Korea since the peninsula was divided after World War II. He added that he hoped to meet North Korean government leaders.

### TRAVEL UPDATE

Travel to parts of Russia and to four other newly independent states is being discouraged by the U.S. State Department because of political unrest and violence. In Russia, The State Department said, all travel to Checheno-Ingusheria and the neighboring North Ossetia region in the North Caucasus should be deferred. It said robberies, nuggings and pickpocketings were on the increase. Warnings were also issued for Armenia, Azerbaijan, Georgia and Moldova. The European Community's single market will benefit people making

cross-border trips to buy cigarettes, alcoholic beverages and electronic goods that cost more at home. As of Jan. 1, the EC is easing stringent limits on what these people will be able to bring back. For example, consumers will be able to buy double the 300 cigarettes allowed at

Olympic Airways is expanding its services in the United States with flights to Chicago and Boston. It will fly from Athens to Chicago, via New York, every Sunday and Thursday, starting this weekend, From Tuesday, it will fly to Boston, via New York, every Tuesday.

Japanese raihoad mious called off a strike Friday after paralyzing commuter traffic for six hours in the two largest metropolitan areas, Tokyo and Osaka.

Taiwan and Bulgaria signed an agreement Friday to establish air links, the island's first with an East European country.

(Reuters)

Singapore Airlines will launch a twice-weekly service to Madrid starting

next week, it was announced Friday in Singapore.

(AFP)

La Guardia Airport, where a jet crash killed 27 people Sunday night, was temporarily closed Thursday evening to all arriving flights because of high winds and heavy rain, an official said.

Europe's first boat to run on natural gas goes into service next week as a tourist cruisers on Amsterdam's canals. The excursion boat was con-



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### **Pressured** To Drop Cresson By Alan Riding

New York Times Service

PARIS - France's Socialist government, still shaken by a major setback in regional elections, faced a new embarrassment Friday when two cabinet ministers won election as regional presidents with the apparent support of the extreme ightist National Front

The scandal was expected to bring new calls from within the badly bruised Socialist Party for President François Mitterrand to replace Edith Cresson as prime inister as the only way of demonstrating that the government is ready to make a new start.

The vote in the regional councils of Burgundy and Lorraine prompt ed angry protests from the conser-vative Union for France coalition, which had publicly pledged to reject any alliance with the National Front.

The Socialists have behaved scandalously," Alain Juppe, a co-alition leader, said.

Laurent Fabius, the first secre-tary of the Socialist Party, insisted that "the Socialists do not and will not accept any National Front

And he added: "Where there is any doubt, there should be a new vote to eliminate all doubts."

Jean-Marie Le Pen, the National Front's leader, refused to confirm that his party had secretly backed the two Socialist candidates, but he hinted that his followers may have carried out "justified reprisals" against the Union for France for its attacks on his movement

In last Sunday's elections for 22 regional councils, the Socialists won just 18.3 percent of votes, compared to 33 percent for the Union for France. But almost half the 25 million voters turned away from these traditional parties, with the National Front winning 13.9 percent of votes and two ecological parties sharing another 13.9 per-

In the elections Friday for regional presidents, 15 councils picked conservative members of the Union for France, while three - including Burgundy and Lor-raine - chose Socialists. In the other councils, votes were postponed until Monday. In the southern Provence-Alpes-

Côte d'Azur region, the conserva-ove incumbent, Jean-Claude Gaudin, was re-elected at the third ballot, defeating both Mr. Le Pen and the socialist-backed millionaire, Bernard Tapie. In this region, though, the National Front won 23 percent of votes.

Speculation is now growing that Mr. Mitterrand, whose approval rating is at its lowest since he took office in 1981, will not delay in replacing Mrs. Cresson and shaking up the government in the hope of preparing his party for next year's crucial parliamentary elec-

Among possible successors are Jacques Delors, the current president of the EC Commission; Pierre

Béregovoy, the economy minister; and Jack Lang, the culture minister and chief government spokesman. Polls show that all three men are vastly more popular than Mrs.

# A scene from the Labor Party commercial about which questions of fairness have become a political issue in the election campaign. Girl, 5, Becomes an Unlikely U.K. Issue

By Craig R. Whitney

New York Times Service

LONDON — "We didn't do it," said the

"We didn't do it," said the Labor Party. Midway through the least substantive British general election campaign in decades, all anybody seemed to want to know was this: Who leaked the name of Jennifer Bennett, the 5-year-old girl whose yearlong wait for an ear operation was at the center of Labor's controversial television spot?

The film itself did not name her. The part of Jennifer was played by an actress, who dramatized her misery during a yearlong wait for a Naoonal Health Service operation to remove her tonsils and adenoids and cure a discharge from her ear.

The film also showed another little girl with a similar problem, who got her operation right away in a private clinic, by paying for it. Labor's point was that the government's purported underfinancing of the £36 hillion (\$61.2 billion) National Health Service put ordinary people who could not afford private care at a disadvantage and undercut the Brit-ish principle, established by a Labor government in 1945, of tax-financed medical care

the credibility of the whole election process, distracting attendon from the real problems of paying for medical care, as much an issue here as in the United States.

"The film related a number of different experiences," said Dr. Jack Cunningham, Labor's campaign coordinator, "It wasn't meant to be about any one real person.

Jennifer, from Kent, finally got her operation early this month. But on Thursday, a pack of British tabloid and television reporters seemed bent on the vivisection of her family. Margaret Bennett, her mother and a Conservative supporter, said that the Labor film had "distorted the situation considerahly." Her father, John, defended it, saying he had written about the case to the Labor

Her grandfather, Peter Lee-Roberts, told BBC television on Thursday that he had faxed the Conservatives early in the campaign, warning them that Labor was set to try to make political hay out of the miseries of the nearly 1 million people on the waiting lists. But he denied giving the Conservatives, or anybody else, Jennifer's name.

day

"Can you tell me how from the one word Jennifer you were able to identify this girl?" she said to the assembled journalists.

"The only way in which Jenny's identity could have been disclosed is through some other source," Mr. Kinnock said,

The Conservatives have compared the film, directed by Michael Newell, to Nazi propaganda before World War 11. The Conservative Party chairman, Chris Patten, called the work "sleazy and contempoble," but he de-nied leaking Jennifer Bennett's name. Prime Minister John Major, visiting a hospital in York on Thursday, said: "It certainly wasn't

Roy Hattersley, Labor's deputy leader, said that disclosure of the girl's name had put "an intolerable burden" on her family. Their suffering through their daughter's

illness has been intensified by irresponsible, indeed corrupt, behavior of newspapers," he said. "Even though we are not responsible, we are sorry for this."

The Daily Express newspaper, which supports the Conservatives, stole much of the thunder from Labor's campaign spot on Wednesday by reporting that Jennifer had spent so much time on the waiting list not because of health-service cutbacks, but benistrative error by her sur geon. But her father produced a letter from the surgeon in which he had complained of "insufficient funding."

The polls so far show that neither Labor nor the Conservatives may win a majority in the voting April 9 for the next Parliament, hut episodes like this could help change the

EMMANUE, BAPTIST CHURCH, 56 Rue des Bons-Roisins, Rueil-Molinoison. An evan-gellool church for the English specking community located in the western suborbs. S.S. 9.45; Worship: 10,45. Children's Church and Nursery. Dr. B.C. Thomas, pastor. Call 47.51.29,63 or 47.49,15.29

INTERNATIONAL BAPTIST FELLOWSHIP, 6:30 p.m., 123 cv., du Meine. M° Golfé. Necr the Tour Montparnasse, The evening service of Emmanuel Baptist Church. Call 47.51.29.63 or 47.49.15.29.

WUPPERTAL

International Baptist Church, English, German, Persian. Warship & p.m., Friedenshort 64, Wuppertal - Ransdorf. All denominators valications. Hars-Dieter Fround, pastor. Tel.: 0202/4698384.

ZURICH

INTERNATIONAL BAPTIST CHURCH of Wo-denswill (Zürich), Switzerland, Rosenberg-strosse 4. Worship Services Sunday morn-ings 11:00. Tel.: 1-252 6222.

EUROPEAN

UNITARIAN UNIVERSALISTS

Brussels meet 2nd Sun, each month, Brussels (32) 65-36-45-70.

FRANKFURT/ WIESBADEN meet every Sunday at 1 p.m., Lindsay Air Station, Wiesbaden, (49) 611-823-673 or (49) 6129-9034

MUNICH meet 4th Sun. each month at 11

a.m. Building 311, room A4, Perlocher Forst Housing Area, Munich, 149) 89-690-2036.

NETHERLANDS meet 4th Sunday each morth at 11 s.m., International House, Rapenburg 6, Leiden. (31) 2946-1962 or (31) 71-121085 evenings.

PARIS the Unitarian Universalist fellowship of Paris meets at noon, Fayer de l'aime, 7 bis, rue du Pasteur Wagner, 75010 Paris (Metro Bastille), usually the 4th Sunday of each month, Tel: (33) 1-42-77-9677. Every-

GENERAL REFORMATION: Write EUU c/s Hertz, frydenlundsvej 49, DK2950 Ved-boek, Denmork. TeL: (45) 42-89-4184. Uni-totion Universalism is a liberal religious com-

COPENHAGEN tel.: (45) 42-89-4184.

GENEVA/BERN 141; (41)-31-4438-08.

Instead, the film seemed to have undercut

"I condemn without reservation whoever gave this little girl's name to the newspapers," said Labor's leader, Neil Kinnock, on Thursmorning. But minutes later, his press aide, Julie Hall, surprised him at his morning news conference by emotionally revealing that she had described the girl as "Jennifer" at a press preview of the spot in Manchester

# **Ankara Is Angered** By Bonn Arms Ban

vehicle.]

BERLIN — The German gov-ernment said Friday that it would

ban all arms shipments to Turkey of Turkey accused Germany of actindefinitely because Ankara had ing against Ankara without first acknowledged using German mili- ascertaining facts. He said the attary equipment in attacks on its tacks on Kurds were a legitimate Kurdish minority, violating the defense against armed terrorists. countries' agreement on use of the

According to Turkish diplomats, formerly East German armored personnel carriers that Bonn gave Ankara last year were used only in surveillance of Kurdish rebels. But the German spokesman, Dieter Vogel, said the equipment had been quite clearly and unmistakahly used in operations against the Kurdish civilian population," adding that Turkish military sources

had confirmed the use of German veapons. Germany gave Turkey weapons and other equipment left over after the East German National Peoples Army was dissolved, under the condition that the material be used only to defend Turkish borders or NATO territory.

Turkish forces have fired into everal Kurdish towns in the past week in response to an uprising by supporters of the Kurdish Workers Purty. The U.S. State Department has commended Turkey for its restraint in the retaliatory attacks, hut Germany has harshly denounced the Turkish use of force. in which about 75 people have been killed.

[Germany ordered the return of a cargo ship carrying military aid to Turkey on Friday, Reuters reported from Bonn. The Defense Ministry said in a statement that the

German vessel was in the Mediterranean when it was contacted by radio and instructed to return with its cargo of military supplies and repair vehicles. Bonn was also trying to per-

Mutiny in Mali Jail Put Down After 2 Days Agence France-Presse

arms embargo by saying Turkey was only protecting itself against terrorists, "as Germany did against

the Baader-Meinhof Gang," anar-chist terrorists in the 1970s.

The Turkish Chamber of Com-

merce in Istanbul announced that

it would organize a boycott of Ger-

man products. Germany is Tur-

heavily pacifist German public and

from the 400,000 Turkish Kurds

living in Germany, Bonn politi-

cians stepped up their rhetoric

against the use of force on Friday.

cial Democratic Party called for the

resignation of the defense minister,

Gerhard Stoltenberg, after Chan-cellor Helmut Kohl's government

acknowledged having sent 15 new Leopard-1 tanks to Turkey despite

a German parliament order to halt

the shipment —MARC FISHER

In addition, the opposition So-

Under pressure both from the

key's largest trading partner.

BAMAKO, Mali - A two-day mutiny and fighting between prisoners in Bamako's jail left 28 dead and several people wounded Fri-day, Mali officials said.

Inmates smashed door and winload of German military assistance dows, burned documents and raidto Ankara, according to the state- ed the medical dispensary.

# ment. It did not identify the type of Foreign Minister Hikmet Cetin

The former prime minister, Bulent Ecevit, said Turkey would avoid the impact of the German arms embargo by huying weapoury from Russia, Ukraine and Czechoslova-Friday night, according to wire reports, Prime Minister Suleyman Demirel responded to the German

### North America Europe Asia Another in a series of pow-erful storms will move into northwestern Europe Sun-day and continue to threat the region through Tues-day. London and Paris will be windy with rain and possibly a thunderstorm. Lisbon will be windy with heavy rain Rain is in store for much of Japan Sunday, but may hold off until lete in Toliyo. Monday may be rainy. Seoul will remain mad and mainly dry. Damp, gray weather will hold in Telpal and Hong Kong Sunday. Stifling heat will bake Bang-kok and Singapore. Wind, rain and anow will hit eastern Canada into Monday The Northegatern enoncey (The Northedstern states will also be windy Sunday, then dry and niger Monday. In Chicago and Atlanta, it may rain Sun-day, the control of the tay, to Southern California Monday.

# **RELIGIOUS SERVICES**

56 (main entrance Tapolesanyi u. 7, immediately behind front entrance). 10:30 Bible study. 6:00 p.m. Ray Reymolds, pastor. Tel.: 115 8759 & 115 6116. DUSSELDORF Reached by bus 11. CHRIST CHURCH (Anglicen) S.S. and Services 11:00, All Denominations are welcome. Ratterdam Str. 135, Tel. 0211/452759 BULGARIA INTERNATIONAL BAPTIST FELLOWSHIP, Sofia, Oborote St. 103, Ent. 8, Ft. 4, Apt. 17. Bible study 10:00. Worship 11:00. Tel.: 447075. FRANKFURT

CELLE/ HANNOVER INTERNATIONAL BAPTIST CHURCH, Friedenskirche, Remonistr. 15, Celle, SS 12:45, Worship 14:00, 30 min. Drive, 20 min. By train from Hannover. Walking distance from Celle train stofion. Contact Andy Earl. Tel.: 05141-36735.

d Baptist Fellowsh

MUNICH
INTERNATIONAL COMMUNITY CHURCH,
Evangelical, Bible Believing, services in English 4:15 p.m. Sundeys at Enabler Str. 10
(UZ Theresienst: [1089) 850-8617. (IL2 Theresienst: | [D89] 85x-8617.
PARIS and SUBURBS
THE AMERICAN CATHEDRA! (EpiscopoiAnglican), Sun. 9 & 11 a.m. Sunday School
for children and nursery care at 11 a.m. 23
ave. George V, Paris B. Tel., 47 20 17 92.
Matro: George V or Alma-Marceau,
HOPE INTERNATIONAL CHURCH (Evancellical & for exercised, Sun. 9, 30 n.m. with DARMSTADT/EBERSTADT BAPTIST AUSSICN, Bible study & Worship Sunday 10:30 c.m. Stockinssion Do-Eberstodt, Bueschelstr. 22. Dr. Brian Everott, passor. Tel.: 06187-91683 (paster) & 06151-68702 (deacon).

CUSSELDORF INTERNATIONAL BAPTIST CHURCH. English, s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kinchweg 2, D-Kaiserswerth, Friendly fellowship. All denominations welcome. Dr. W.J. Delay, Pastor, Tel.: 0211/400 157.

FRANKFURT FRANKTIONAL CHRISTIAN FELLOWSHIP Evangelisch-freikrichliche Gemeinde, Bodenerstr. 11-18, 6380 Bed Homburg, phone: 06134-23278 or 06196-643330 serving the Frankfurt and Taxunus areas, Germony. Sunday worship 09:45, nursery + Sunday-school 10:00, women's circle-friday 09:30. Housegroups - Sunday + Wednesday 19:30. Postor M. Levey, member European Baprist Convention. "Declare this placy amongst the notions."

HEDELBERG meets 2nd and 4th Sunday every month at 13:00 at Thompkins Bar-racks Chapel, Schwel, Schwetzingen. (49) 6222-7 3716 or (49) 6205-16486. BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dochsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, poster. Tel.: 069-549559.

HAMBURG INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets of TABEA FESTHALLE, Am Isfeld 19, Hamburg-Ostdorf, Bible Study

CHURCH, 58, Youlingments Ave. Ano Helimican, S.S. 9:45. Worship at 11:00 a.m. and 7:30 p.m. Tel.: 01-962-2665 for directions. or 11,30 & Worship of 12,30 each Sunday Tel.: 040/82061& international Baptist CHURCH, BER-UN. Rethenburg str. 13, 1000 Berlin 41 [Steglitz]. Bible study 10.45, worship at 12.00 and 19.00 each Sunday. Charles A. Warford, Pastor. Tel., 030-774-4670. HOLLAND TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Blasmcamplasn 54 in Wassenaar.

> KRAKOW INTERNATIONAL BAPTIST FELLOWSHIP. ul. Wyspianskiego 4. First Sunday coordination. 16.00 p.m. Gustaw Cieslar, coordination. Tel.: 33 23 05 + 66 49 32.

> INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Services. Bible study 16:00, Worship Service 17:00. Postor's phone: 690 8534.

ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST

AMERICAN CHURCH IN BERLIN, cor. of Cloy Allee & Potsdomer Str., \$.5, 9:30 a.m., Worship 11 a.m., Tel.: 030-8132021.

AMERICAN PROTESTANT CHURCH, Sunday School 9:30 a.m., worship 11 a.m., Kennedy Alice 150. Tel.: 0228 - 37 41 93 BRUSSELS

THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School — 9.30 a.m., and Church — 10.45 a.m. Kattonberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

BUDAPEST INTERNATIONAL CHURCH OF BUDAPEST Worship service Sunday morning at 10-30 BUDA CULTURAL CENTER, Dist. 1, Corvinter 8 Glen Howard, Postor, (36-1) 176-4518 Mail address: Box 64, Budapest 1363.

COPENHAGEN INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade, Vartov, neor Rüdhus, Skudy 10:15 & Worship 11:30. Jack Hustad, Pastor, Tel.; 31 62 47 85.

FRANKFURT TRINITY (UTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), Sunday School 9:30, worship 11 a.m. Tel.: (069) 599478. GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: |022) 20.50.89. LONDON AMBRICAN CHURCH in London at 79 Tottenham Court Road, Landon WI, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel: (01) 580 2791,

INTERNATIONAL COMMUNITY CHURCH services at Rydens School, Hersham, Surrey. Sunday School at 10:00 and Wership at 11:00 s.m. Active Youth Pregram. Tel.: (0932) 868283. MOSCOW PROTESTANT CHAPLAINCY, UPDK Hall, UL. Ulofa Palme 5, bidg. 2. S.S. 10 a.m., Worship 11 a.m. Tel.: 143-3562.

OSLO American Lutheran Church, Fritznersgt. 15 Warship & Sunday School 11 a.m. Tel.: (02) 44,35.84.

AMÉRICAN CHURCH BN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 11 daar, Metra Alma-Marceau ar nvalides. STOCKHOLM MMANUEL CHURCH, Kungsteng, & Birger Jarl. Friendly Christian fellowship. English, Swedish & Koroan, 11:00, Tel.; 46-8 151225 & 309803.

WARSAW

WARSAW INTERNATIONAL CHURCH, Prof VALCAN INTERCOLLEGACY CHARGE, FOR estant English language expatricies, Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.); Sunday School 9:55 (Sept.-May) U.S. Miodowa 21, Tel.: 43-29-70. ZUZKCH INTERNATIONAL PROTESTANT CHURCH English speaking, workship service, Sunday School & Nursery, Sundays 11:30 c.m., Schomzengosse 25, Tel.: (011 2625525.

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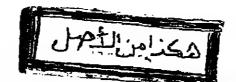
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U.S. B By William Dr PARIS — The Unite cused Lihva on Friday ing international effor terrorism by going to Court for protection f

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# Clinton Rewrote Ethics Law, Exempting Himself

By Jeff Gerth

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New York Times Service NEW YORK - As governor of Arkansas, Bill Clinton backed a comprehensive ethics and disclosure law for public officials, inm Foe Target ECPM but before it was approved by voters in 1988, Mr. Clinton and his advisers altered it so that he and some other officials were exempted from the requirements to disclose potential conflicts of in-

The deletion of the provision that could have covered Mr. Clinton and his wife, Hillary, a lawyer in a firm that does business with the state, occurred during a pri-

vate drafting process.

The participants included Mr. Clinton, close political aides and allies of the governor, and Webb Hubbell, a senior partner in Mrs. Clinton's law firm.

Although Mr. Clinton's work on an ethics code attracted wide attention and debate in Arkansas, the deletion of the conflict-of-interest provision for nonlegislators - and Mr. Clinton's role in that deletion - has apparently never

been disclosed before.

An ethics package, which overwhelmingly passed the state's
House of Representatives in February 1988 but stalled in the Senate, would have required legislators and a broadly defined category of "public servants," in-cluding the governor, to file a report every time they took an ac-tion or decision that might affect their family's personal finances.

The package applied to deci-sions involving a business or firm in which a member of the official's family was employed or a

partner. Mr. Clinton's revised version of the House bill retained the disclosure requirement for legislators. but deleted it for the governor, other elected officials and the appointed officials in state agencies and commissions.

The version favored by Mr. Clinton, which exempted these officials, was placed on the ballot at his direction in 1982 and be-

By Gwen Ifill

New York Times Service

chairman of the Democratic Party, has

issued an unusual rebuke to one of his

party's two remaining major candidates for president, saying Edmund G. (Jerry)

Brown Jr. had "crossed the line in terms of

inappropriate attacks" against Governor

The party chairman said he wanted to

maintain his neutrality but was compelled

to speak out against what he described as

the former California governor's

"scorched-earth policy" of verbal assault on Mr. Chinton's record and character.

By Howard Kurtz

Washington Post Service

WASHINGTON - Over the last

month, about 20 reporters from national news organizations have descended on

Little Rock, the Arkansas capital, ontting

Governor Bill Clinton's record under a

The New York Times has reported that

Mr. Clinton and his wife, Hillary, invested

in a land deal with a man who became a

failed savings and loan operator. The

Washington Post has reported that Mrs.

Clinton's law firm has received substantial

state business. The Los Angeles Times has reported that Mr. Clinton lobbied for a

state contract that benefited a friend later

At no time during his presidency has George Bush been subjected to a comparable barrage of scandal-type stories, the kind that can alter forever how the public

views a politician. Nor have reporters

spent much time looking at Edmund G.

(Jerry) Brown Jr.'s two terms as California

governor, his tenure as state Democratic

chairman or his work as a private lawyer.

"There's a tremendous imbalance," said Jack Nelson, Washington bureau chief of the Los Angeles Times. "I don't see any-

body digging over Bush's record, or talk-ing about his arming of Saddam Hussein

"I don't think there's any question the

convicted on cocaine charges.

journalistic microscope.

Bill Clinton of Arkansas.

NEW YORK - Ronald H. Brown, the

came law after it was approved by

the voters that year.

One practical effect was to exempt Mr. Clinton from any possibility that he would be responsi-hle for reporting in detail any actions or decisions on his part that affected the clients of his wife

or her law firm. With this language out of the legislation, Mr. Clinton also did not have to wrestle with the po-tentially complex legal question of which of his wife's or the firm's activities would require disclosure

— a potential quagmire of complex and debatable judgments.

Mrs. Clinton has said that she

voluntarily refused to share in the firm's income from work for the state. But she does share in billings from clients who use the firm in their dealings with the state. Mrs. Clinton has also com-

mented on the difficulty of having an independent career in a small state in which her husband is the governor, and that she has tried to avoid representing clients who do husiness with the state. In a statement Thursday, Mr.

Clinton said: "The reasons for dropping that particular provision had nothing whatsoever to do with possible problems for me, my wife, or her law firm, a subject which no participant recalls ever even arising in countless conversations on the

Mr. Hubbell, who is a friend of the Clintons', acknowledges being

Bill Clinton, left, arguing with an AIDS activist who interrupted him during a campaign speech in New York City. The protester questioned Mr. Clinton's commitment to fighting the disease, to which the candidate responded, "That's bull and I'm tired of it."

Senator Tom Harkin of Iowa, who

dropped out of the presidential campaign

this month, Mr. Clinton received support

from Senainr Daniel Patrick Moynihan of

New York, who criticized former Gover-

nor Brown's proposal to institute a flat-

The Brown tax plan, he said, would "put a silver hullet through the heart of Social

Mr. Brown disagreed, saying that his proposal would "protect Social Security

again as Mr. Clinton won a series of pri-

maries and reporters expressed admiration

for his campaigning skills. But once Mr.

Clinton seemed on the verge of elinching

the Democratic nomination, news organi-

zations felt compelied to take another

"This guy has been governor of Arkan-sas, but to a lot of people that's as if a ship

landed from outer space," said Jay Severin, a Republican political consultant.
"If Bill Clinton had been director of the

ClA, a congressman and ambassador to

China, the media would feel less of an

obligation to fill out the resume, to define

An incumbent president, hy contrast, is

presumed to be a known quantity who has

already survived his trial by media fire.

The press tends in dismiss previous con-

troversies, such as questions about Mr. Bush's role in the Iran-contra scandal

when he was vice president, as "old news."

Brown are not held to the same standard

almost no scrutiny because people thought he was a national joke," said Mark Mell-

Only in the past 10 days have newspa-

pers published detailed pieces criticizing Mr. Brown's tax plan, a central plank of

Long-shot candidates such as Mr.

"Up until now, Brown has escaped with

him for the American public."

as more established rivals.

man, a Democratic poll-taker.

Brown was most remarkable in the actions speak up.

rate tax of 13 percent.

recroients.

An Unknown Quantity's Trial by Fire in the Press

Party Chairman Scolds Brown for 'Inappropriate Attacks'

Former Governor Brown, responding to the chairman's remarks, said that he was

"I think it is understandable that he

becomes overzealous in his protection of

the old order," he told reporters, "Survival

is the first instinct of any organization.

The party chairman's remarks on

Thursday came on a day when other lead-

ing Democrats appeared to be closing ranks behind Mr. Clinton, who holds a

substantial lead in delegates but has en-countered a persistent unease over his can-

In addition to an endorsement from

press is beating up on Clining day in and day out, and just about all those stories are

recycled from Arkansas," he said.
To be sure, Mr. Bush has been subjected

to plenty of critical reporting over the

years, from the 1988 stories that depicted him as a "wimp" to his broken no-new-

taxes pledge to stories documenting how administration officials continued to aid Iraq in the months before the Gulf War. And, of course, an incumbent's record is

dissected and criticized every day.

But such stories tend to follow the ebh

and flow of the news. Rarely is a national-

ly known officeholder placed under the

kind of searing spotlight that, in just a few

weeks, probes the most basic questions

about one's personal life, finances and

The pattern is familiar: A newcomer

hursts onto the national stage and is quick-

ly subjected in a withering crossfire by the

investigative guns of the press. It hap-

pened to Geraldine A. Ferraro, the Demo-

cratie vice presidential nominee, in 1984.

and to Dan Quayle, Mr. Bush's running mate, in 1988. It is not clear that any

public figure can withstand such scrutiny.

Mr. Clinton has been through several

swings of the media pendulum since announcing his candidacy last fall. He bene-

fited from a slew of early articles that

belped position him as the front-runner,

then was pummeled about allegations of

adultery and draft evasion.

didacy among party regulars.

not surprised at the party snub.

involved in writing the law, but also denies shaping it to bar from public scrutiny information about Mr. Clinton's actions and the law

firm's work. The income that Mr. Clinton's wife derives from her partnership in the law firm has been a sporadic issue in previous gubernatorial campaigns and the current Democratic presidential campaign.

Mr. Clinton's opponent, former Governor Edmund G. (Jerry) Brown Jr. of California, has said that it was a conflict of interest for Mrs. Clinton to work for a firm that does business with the

The firm also represented a failing state-chartered savingsand-loan institution that was who was the Clintons' partner in an Ozark Mountains real estate development corporation.

Questions have been raised about a possible conflict of interest for Mr. Clinton because his administration was in charge of regulating such savings-and-loan institutions while his wife was handling legal work for Mr. McDougal's institution, and while the Clintons were in busi-

ness with the man. The Clinton campaign has argued that nothing that the governor, his wife and the law firm did was barred by Arkansas' ethics laws, and that they have made public information beyond what

of the party chairman, who has long urged

party leaders to settle on a nominee early in the process so that the candidate would

have more time to prepare for a general

Until Mr. Brown won the Connecticut

"I've been maintaining the neutrality of

the party." Ronald Brown said. "Nonethe-

less, when one of our candidates has

Mr. Clinton said Wednesday that it

would be "interesting" to count the per-son-hours devoted to investigating him

and compare it to the scrutiny given the

other Democratic candidates or Mr. Bush.

John Robert Starr, managing editor of the Arkansas Democrat-Gazette, said re-

cent stories about Mr. Clinton had been

National reporters, be said, seem "more

interested in writing a story than in telling

Many of the allegations remain mud-

The New York Times story about the

Clintons' investment in a land develop-

ment had little resonance because the

Clintons wound up losing \$68,900 on the

The Los Angeles Times story about the 1985 contract awarded to Dan Lasater, a

Clinton supporter, made much of Mr. La-

sater's later cocaine conviction. But the

state police chief said there was no pend-

ing investigation of Mr. Lasater at the time

of the contract award because there was no

The Post story about Mrs. Clinton ac-

knowledged that her law firm had long been part of the Little Rock establishment

and that she generally declined her share

evidence he was distributing drugs.

often follows political success.

widely known in Arkansas.

the truth.

primary on Tuesday, party leaders had appeared satisfied that they had accom-

election fight.

plished just that,

But the closing of Democratic ranks crossed the line in terms of inappropriate behind Mr. Clinton and against Mr. attacks on one of our Democrats. I will

Much of the coverage turned favorable in for the kind of tough reappraisal that

## **Bush Needs** Less Stress, **Doctor Says** After Exam

By Lawrence K. Altman

WASHINGTON — The White House doctor has said that three years of the presidency have put George Bush under great stress and that he needs to reduce his hectic schedule and take vacations more

The physician, Burton J. Lee 3d, said in an interview that Mr. Bush needed a place where he "can go for a few days of peace and quiet so his engine can come back in balance from the incredible pace that he normally keeps."

Otherwise, Mr. Bush emerged from an annual medical checkup Thursday with a declaration from his doctor that he was in "perfect"

Dr. Lee said the president was not depressed or stressed out. He said Mr. Bush "handles stress far better than the rest of us."
Nevertheless, be said, "the stress of the joh has to get in bim, and it is my job to see that it does not get to

him in a way that it is bothersome to him in his functioning."
In the past, questions have been raised about whether the president's occasionally tangled syntax could possibly relate to his physical

Reporters have often noticed that when Mr. Bush gets tired, as on long foreign trips or in the heat of campaign forays, his sentences are occasionally muddled.

As he tires, he sometimes seems to go into a kind of overdrive — the pitch of his voice rises and his gestures become more animated. But the White House has consis-

tently said Mr. Bush was in robust health and as recently as this week said that be was not unusually faigued by his schedule.

In speaking out, Dr. Lee raised more openly an issue he has spoken about since he became Mr. Bush's doctor - getting his patient to re-

The doctor said that be was becoming increasingly aware that Mr. Bush could not get away to decom-

"It's a major problem," Dr. Lee said. "If the stress level huilds up too high you start not becoming as effective as you were. It is at that point that most of us go on vacation for a while."

"My prescription is for us to try to find a place where the man can get some privacy." Dr. Lee said, adding that Mr. Bush needed to go somewhere other than Camp Da-vid, where the daily working habits are much like those of the White

The doctor said he was working with the White House chief of staff, Samuel K. Skinner, and other officials to find such a place.

Marlin Fitzwater, the president's spokesman, was noncommittal Friday when asked at the daily White House press briefing about Dr. Lee's recommendation. "He thinks the doctor is a very

wise man," Mr. Fitzwater said. "We don't have anything." "Is he going to take the advice?" a reporter interrupted.

"I agree with the doctor," the spokesman replied. "I think we all need a long vacation."

You have to get away, to relax. to get a change of pace, in let your hair down, come out in old clothes without someone taking a telepho-to picture of you, to be able to swear a little if you shank a shot on the golf course, and this guy does not have many opportunities to do

that," Dr. Lee said. But he also said he doubted that Mr. Bush would accept the prescription, particularly in an election year and when the country is in economic trouble.

"That has a bad image," Dr. Lee

The doctor has accompanied Mr. Bush on many of his trips to 33 foreign countries and said he had noticed that "no other world leader is subjected to a fraction of the pressure that an American presiient is put through."

Noting that people differ in their idiosyncracies and reactions to everyday problems, Dr. Lee said:

World crises don't bother this fellow as much as smaller things. When you are a friend of his you can pick up on those, and that is the kind of thing you want to try to intercede to help him with."

Dr. Lee said he refused to violate the confidentiality of his role as physician and friend to Mr. Bush to provide specific examples.

The president, who will be 69 on June 12, said that his checkup at Bethesda Naval Medical Center was "perfect" and that "everything was normal."

Dr. Lee agreed, saying the results of an extensive examination were "perfect, no surprises."

### **AMERICAN TOPICS**

### Cross-Florida Canal Now a Coveted Strip

The notion of digging a canal across Florida, a shortcut for waterborne traffic between the Atlantic Ocean and the Gulf of Mexico, probably dates back to the days of the pirates. Congress authorized a government study of the idea when John Quincy Adams was in the White House 167 years ago. Excavation began in the midst of the Great Depression of the 1930s but was short-lived. The U.S. Corps of Engineers began to dig in earnest in the 1960s, but President Richard Nixon,

at the urging of environmental-ists, called off the project. Today, the canal idea is moribund, but its corridor, 110 miles (about 180 kilometers) long and averaging a mile wide, is the center of debate. According to present plans, it is to become a greenbelt, Environmentalists want it insulated from development and restored everywhere possible to a natural state, which would encourage the re-turn of wildlife that is threatened on every side by Florida's booming population.

Others contend that development already has foreclosed the possibility of a wildlife preserve extending the breadth of the state. For example, outside Ocala, the largest town adjacent to the corridor, the right-of-way passes within a stone's throw of a commercial campground, a subdivision and a mountainous landfill. Other stretches have

become illegal dumps.
Fred D. Ayer, the state official responsible for managing the strip, sees it accommodating

not only environmentalists but hikers, bikers, canoeists, pic-

nickers and ballplayers. "I know how crowded this state is going to be 20 years from now," Mr. Ayer said. "and I believe we can accomplish something truly awasome."

### Short Takes

The World Federation of Americans Abroad will hold a conference on health care for overseas citizens at 1 P.M. April 4 at the Holiday Inn in Walldorf, Germany, near Heidel-berg. Admission 10 Deutsche marks (\$6), everybody welcome. Details available at WFAA, 49 rue Pierre Charron, 7500g Paris, France, telephone 331-4266-9075.

New research puts worldwide deaths from the 1918-19 influenza epidemic at 30 million people, The Washington Post reports. Previously, it was esti-mated at 21.5 million. The U.S. death toll was 550,000. Scientists bave yet to find the virus that caused the epidemic, Mortality was highest in people 20 in 40 years old, exactly the age group that usually would be the least affected.

Too often people buy clothes without looking at the label, says Daniel Eisen of the New York Sebool of Dry Cleaning in Manhattan. "Most people are blinded by what the garment looks like on them," he says. "If the price is right, they very of-ten don't look at the labeling." Federal law requires accurate labels. Buyers often discover. too late, that the label says, accurately. "Do not wash. Do not dry-clean." And mislabeling is prevalent, although it can cost manufacturers up to \$10,000 for each violation.

Arthur Higbee

## **House Panel Acts to End Patronage Hiring System**

WASHINGTON - In a swift reaction in the House Bank scandal, a bipartisan congressional task force has agreed in principle to abolish the patronage system used for filling thousands of jobs on Capitol Hill, according to a Democratic member of the panel.

Under the accord, jobs for Capitol doorkeepers, clerks, elevator operators, post office workers and others would no longer be filled

by members of Congress with whomever they chose - in many cases, relatives and friends. Instead, the jobs, about 5,000 in number, would be filled through a

merit system, a source said. Members' offices and committee staff would be exempt from the system.

The panel only recommends changes in the House's management, but the intensity of the current House Bank scandal will make anything they recommend politically impossible to resist. House leaders agree. Hundreds of current and former House members are accused of writing bad checks against their House bank accounts.

### Legislation Seeks to Open Secret Files on JFK Killing

have introduced legislation to require public disclosure of most secret files compiled during the investigation of the 1963 assassination of President John F. Kennedy.

The bill was sponsored by the The bill was sponsored by the chairman of the Senate intelligence committee, David L. Boren, Democrat of Oklahoma, and Representative Louis Stokes, Democrat of

House Select Committee on Assassinations. It is expected to add hun-assassination inquiry panels. dreds of thousands of pages to the public record about Mr. Kennedy's But many experts have ques-

tioned whether these files will pro- tion.

WASHINGTON — Influential tinuing worldwide controversy over whether Mr. Kennedy died as the result of a conspiracy, which

pendent, court-appointed review board of five members to examine all federal records relating to Mr. Kennedy's assassination, including Ohio, former chairman of the those of the CIA, the FBI, the Warren Commission and congressional

Even Russia is requested in the bill to disclose any records of the former Soviet Union's intelligence agencies concerning the assassina-

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### U.S. Berates Libya for Seeking Court's Protection clandestine support to terrorists yet now sought help from the court, the disconnection of the Libyan leader, Colonic Moanumar Gadhafi, to turn

By William Drozdiak

PARIS - The United States accused Lihya on Friday of sabotag-ing international efforts to fight terrorism by going to the World Court for protection from threats of sanctions or force unless it hands over suspects in the 1988 bombing of a Pan Am jetliner.

In a hard-hitting response to Libya's assertions of intimidation, a U.S. State Department legal ad-

judicial arm of the United Nations, over two intelligence agents who to dodge extradition demands apare believed to have orchestrated proved by the world community.

"This is the first example in the court's history in which a nation tried to use it to undo the work of the Security Council," Mr. Williamson told the court in The

Libya took its case to the court for an emergency ruling to block

the Pan Am bombing over Locker-bie, Scotland, in which 270 people

The Security Council is expected to pass a resolution next week that would cut air links to Tripoli, ban

the sale of weapons and aircraft to the country and call for the expul- courts. sion of most Libyan diplomats posted abroad.

Britain were employing 'nicgan and arbitrary blackmail' to gain custoactivity."

Following the example of the

his candidacy, though Mr. Brown may be of fees from elients with state business.

must stand trial in U.S. or British my country in the last decade."

viser, Edwin D. Williamson, brandthe United States and Britain from the Court heard Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of nous acts, as we believe Libya's arguing as "part of a broader pattern of

Libya has proposed banding British prosecutor. Alan Rodger, over the suspects to the United Nawho addressed the court Thursday. tions provided that they are not Mr. Williamson outlined the evi-interrogated in the United States or dence arrayed against the two Lib-Britain. That condition is unacyans and called the bombing "perceptable to Washington and Lonhaps the most borrific example of a don, which insist that the Libyans terrorist attack against citizens of

The world community cannot Mr. Williamson described the standidly by when a state embarks Libyan role in the Pan Am bomb- on a policy of supporting such heiing as "part of a broader pattern of nous acts, as we believe Libya has

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WORLD OF COMFORT

## **OPINION**

# Herald Eribune.

### A Minor Nuclear Accident

As nuclear accidents go, the recent one in Russia was minor. But even minor reactor accidents are alarming, and this incident involved a machine of the same flawed design as the Chernobyl reactor that ran out of control in 1986. These reactors are becoming a metaphor for Russia's need for economic help - and the West's interest in responding. In a nuclear accident, as in many other things that could go wrong in Russia, the consequences would not be confined within the borders.

Radioactive gas leaked from one of the four reactors at a power station west of St. Petersburg. Reportedly there is no threat to health this time, but it is another reminder that these graphite-core reactors are unstable and dangerous. There are 16 of them in operation in Russia, Ukraine and Lithuania, and they all ought to be shut down immediately. But the Soviets also built pressurized water reactors, which are much safer. The most recent of them approach Western stan-dards. Twenty-nine of these machines are in

service, and more are under construction. One solution would be to dismantle the old graphite reactors and replace them with the plants that are now close to completion. But there are two obstacles. None of the former Soviet republics has the funds or the equipment to finish construction and to

bring all of the pressurized water reactors up to international safety standards. Beyond that, the Chemobyl disaster has generated. understandably, a fierce public opposition to further construction. The result is that, because the former Soviets have neither the money nor the political consensus to permit them to shift to safer new reactors, they continue to depend on those that are their oldest and most prone to malfunction.

Aggravating the peril, there is now an exodus of Russian nuclear specialists in search of a better life abroad.

Within the U.S. government there is said to be vehement debate over relations with the Russian nuclear establishment. Some American officials are sharply opposed to any aid that might strengthen it. That is a remarkably shortsighted view. The Russians - and Ukrainians and Lithuanians have reactors, and they need electric power. If they have not got the equipment, the staff and the technical support to run them in the safest possible way, it is very possible that, in a desperate effort to prevent further deterioration of their economies, they will run them the other way. Is it possible to help them reduce the risk? Americans, Europeans and Japanese do not have unlimited time to make up their minds.

-- THE WASHINGTON POST.

### **Brown's Not-So Flat Tax**

Taking Jerry Brown seriously means tak-ing his flat tax proposal seriously. Needlessly, he has made that hard to do.

By being careless, the former California governor has bent a good idea out of shape, He could fix it, but until he does, Bill Clinton is right to attack the plan as a budget-buster and a dagger aimed at poor families.

Mr. Brown's basic idea — creating a

simplified code that encourages saving - is exactly right. But he ignores all-important details. The tragedy is that his cavalier attitude has armed his critics to denounce the one truly creative and important idea to emerge from this presidential campaign.

The present tax code is riddled with

wasteful contradictions and complexity. For example, profit from corporate investment is taxed twice - when earned by the corporation and again when distributed to shareholders. That powerfully discourages savings and investment - the exact opposite of what the economy needs to grow.

The remedy is, in a word, integration, meshing personal and corporate codes so that the brunt of taxes falls on consumption, not saving. Tax reform should also simplify the code, making loopholes harder

for Congress to disguise, and enact. And out of decency, tax reform should not come at the expense of the poor.

Remarkably, there is a reform that achieves all these objectives. Robert Hall and Alvin Rabushka, economists at the Hoover Institution, bave proposed an integrated code that applies a single rate to both personal and corporate income. Their plan wipes away most deductions

and exemptions, permitting a low tax rate of 19 percent. The important term is not "flat" but "integrated,

Under the Hall-Rabushka plan, individuals would pay taxes on earnings and cor-

In 1990, President George Busb and

Congress agreed to cut the military budget

about 20 percent in real terms over five

years. Now both agree that it can safely be

cut more - but how much more and what

to do with the proceeds remain in dispute.

The Democrats tend to favor larger cuts

than the president in the abstract, but less

so when the mowing machine approaches their own states and districts and it looks as

if the price of cuts, in a weak economy and

an election year, will be loss of jobs. In the

end their hudget is likely to contain only a few billion dollars more in short-term de-

Nor, unfortunately, is it clear that they

have the votes to take the second step that

party rhetoric suggests, which is to defy the

hudget agreement and shift even these few

billion dollars from defense to domestie

spending. In the House the problem is de-

fectors; too many Democrats want the 1990

agreement upheld and the money used for deficit reduction instead. A bill to take

down the budget walls has been deferred. In

the Senate the problem is the rules; the

Democrats have a majority but not the 60

The issue is at least as much symbolic as

substantive. The amount in question is not

that large. Even under the budget agreement,

Congress will be able to shift money from

**Democratic Self-Destruction** 

Downplaying the harm to Governor Bill Chaton in the Connecticut primary, the Dem-

ocratic national committee chairman, Ronald Brown, said, "I've never known a nominee

who wins everywhere, every day." You can tell he's a Democrat, George Bush has won every-

where every day this year. Four years ago, Mr.

Bush won everywhere every day after a single

loss in South Dakota in February. Ronald

Reagan won everywhere every day in 1984.

One of the Democratic Party's greatest

votes to crack a Republican filibuster.

president. Flex their majorities, after the

fense cuts than the administration's.

**Peace-Dividend Politics** 

Other Comment

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International Herald Tribune. 181 Avenue Charles-de-Gaulle. 92521 Neuilly-sur-Seine, France Tel.: (1) 46,37,93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698

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porations would pay tax on interest, dividends and profits. That way, every dollar of income would be taxed once and only once. The plan would subsidize saving, and create

an exemption that would protect the poor. For that good reason, Hall-Rabushka is not perfectly flat. But it is perfectly simple; the tax return would fit on a postcard.

Jerry Brown borrowed some elements of Hall-Rabushka. He too would eliminate wasieful exemptions, adopt a single rate and favor saving by exempting corporate investment. But at that point, he turns glib. He would impose on corporations a valueadded tax. That eliminates the elegant symmetry of Hall-Rabushka.

Indirectly, Mr. Brown's variation would tax some income twice - which is why his supposed 13 percent rate would collect revenue equal to about 20 percent of intal income. His plan would also eliminate Hall-Rabushka's low-income exemption. That makes his reform even more unfair. The value-added tax, acting as sales tax, would drive up consumer prices regressively. The poor, unlike the rich, must spend most of

their income on necessities.

With even a little thought, Mr. Brown could have averted these disabling details. He could have built in exemptions, credits and progressive rates to ease hurdens on low- and middle-income families.

He could have raised rates high enough to make his plan truly revenue-neutral. And he could have followed Hall-Rabushka closely enough to produce a truly integrated code.

But for no ohvious reason, he has done none of these things. He may go on contending that his campaign represents poor and alienated voters. But as it stands. his version of a superb idea turns the tax tables against them.

defense to domestic purposes next year; only

this year is in question. The shift that the

president and Republicans are resisting

would not increase appropriations or the

The Republicans are no more intent than

the Democrats on enforcing the hudget

agreement and using defense savings for

deficit reduction. The deficit is a stalking

borse; they just do not want to use the

money for domestie spending increases.

They would apply it to a middle-class tax

cut instead. In that sense the issue is not one

of principle hut a fight between two ways of

On this one it is the Democrats who are

right. The government cannot afford a tax cut: the defense savings need to be kept in

the public sector and used for public pur-poses. Without a shift from defense, total

domestic appropriations are scheduled to

decline in real terms this year. The Demo-

crais would do little more than keep them

even. The budget deficit is not the only one

that built up in the last II years. A social

deficit has accumulated as well. Neither can

properly be ignored: the Democrats would

divide the modest dividend from the dissolu-

tion of the former Soviet Union and try to

reduce both marginally at once. Balance is the issue: these bills to remove an outdated

budget obstacle one year early should pass.

weaknesses in presidential politics is this

instinct to turn on its front-runners. In every

presidential primary season, beginning in

1968, opponents have cut the ultimate win-

ner to shreds clear through to the national

convention. They have done so even in sinuations like this year's, when it was apparent

early on that the attacking loser almost sure-

in New York, he may not even be able to

If Mr. Clinton does not show real strength

- The Baltimore Evening Sun.

ly could not himself win.

struggle to the nomination.

- THE WASHINGTON POST.

breaching the principle.

deficit; it would simply change the mix.

-THE NEW YORK TIMES.

# **Bush Foreign Policy:** Needs Improvement

By Leslie H. Gelb

N EW YORK — Polls now show that Americans have more confidence in the Democrats than in President George Bush on every issue except foreign policy. A solid major-ity still sees him as a real professional

on world affairs. Which means Mr. Bush will try to capitalize on this advantage in the campaign. Which means the Democratie contender has no choice but to

counter that the old pro is overrated. Which led me to consult with the best minds - Republicans, Democrats, liberals and conservatives - to

prepare this Bush report card. The Old Soviet Union: Very slow to pick up on Mikhail Gorba-chev's determination to reform the old empire. But when he got the picture, did a solid job of building up Gorby's stature and prodding him on. Then slow again to realize time to switch to Boris Yeltsin, though no harm done. Grade: B+.

• The Ex-Soviet Republics: Criticized justly for not being fast enough to aid democracy and capitalism in the new states. Has not done well at orga-nizing Western aid efforts. But sensible in not trying in do more than possible with a chaotic situation. Has focused on the right priority — trying in ensure that nuclear weapons do not fall into the wrong hands. Grade: B.

 Prewar Iraq: Overwhelming evidence now that he tried to please and appease President Saddam Hussein long after the dictator had showed his true, evil colors. Actively kept helping Saddam with credits and intelligence up in traq's invasion of Ku-

WASHINGTON — Let us look at the hard case of American support for Israel — whether finally the United States should defer to

the Jewisb state's own view of the requirements of its security and national purpose because Israel is a

This is no mere confection of Israeli propaganda

or an Israel lobby looking for a case against George Bush, though it is so used. It represents the princi-

bush, though it is so used. It represents the principled belief that practically as well as idealistically democracy is the essential organizing principle of American foreign policy: Democracies do not intenten one another, they work naturally together, they improve the quality of one another's lives. In this way is a democracy-first policy set off from "realism," the pursuit of national interest without

first attention to the political complexion of Ameri-

ca's partners — as practiced by President Bush in China, Russia, Yugoslavia and the Middle East,

Nor is this outlook confined in conservative thinkers. Governor Bill Clinton, the Democrats'

likely candidate for president, supports the demo-

cratic line to distinguish his general foreign policy and his specific Middle East policy from Mr. Bush's.

With the democratic argument these days comes the smarting accusation that the Bush administration, to squeeze Israelis into negotiations, is applying a double standard. Why is democratic Israel

arraigned for human rights aberrations while un-

democratic Arabs are indulged in systemic abuses?

Why does Mr. Bush oppose using economic pres-sure to move the police state of China and favor

democracy, the only democracy in its area.

wart. Opposed legislators who wanted to get tough, though most experts do not look good in hindsight either. Grade: F.

War Against Irag: After two weeks of confusion, a masterful job. Grade: A.

Postwar Iraq: Inexplicably foolish about not letting the war go on for an additional 48 hours to mop up Iraq's military capability. But right not to go on to Baghdad and take on that headache, Inexcusably did not prevent Iraqi air power from devastating Kurds and Shiites. Managed situation since then intelligently. Grade: C+/B-.

• Middle East: Very skillful engineering of the first real Arab-Israeli peace talks. Nurtured ties with Arabs well. Was right to get tough with Israel about settlements in the occupied territories, but bullheadedly wrong in not sustaining the sanctity of the overall American-Israeli democratic alliance. Grade: B.

 China: Terrible on buman rights and too protective of Chinese dictators. But doing a delicate balancing act in a difficult situation where the United States needs Chinese restraint in selling arms and nuclear knowhow. Grade: C+/B-,

· German Reunification and NATO: Slow to recognize change, but then deft in handling of a major geo-political transformation. Properly at-tentive to keeping Germany in the Western alliance and the United States in Europe militarily. Grade: A-, Japan: Good instincts on trade and Japanese sensibilities, except for

• Free Trade: Good anti-protectionist rhetorie on GATT and decent leadership on opening up trade in North America. But spends far too

inattentive and insensitive here. Does not seem to realize that foreign

Inexcusably dragging his feet on UN efforts to stem global warming and other environmental threats. Still spending too much on interdiction of drugs rather than treatment at home. Has done bittle to promote energy security. Not enough backing for UN

peacekeeping operations, but better than Congress. Grade: D.

• Overall: Good instincts about the old Cold War problems. Particularly solid at managing crises that flow from those relationships. But without much sense of overarching strategy and sometimes blind to see changes under way.

# Groping for New Ideas

Communist countries grope painfully to establish liberal democracies, voters in the established democracies are pronouncing their dissatisfaction

with traditional party systems.

They are saying the Western model, at its moment of historic triumph. has not got it right either.
Last Sunday's regional elections in

France sent one clear message: The mainstream parties have lost their claim to the electorate's confidence. Key elections are coming in Britain in two weeks, in Israel in June and in

the United States in November. Everywhere people are frustrated, not just with bad economies but at

the choices being offered.
Germany and Japan do not have votes scheduled this year, but their societies too signal widespread feeling that something is very wrong.

It is not an anti-incumbent tide, it

is a tide against the familiar game of politics, which can, after all, leave many incombents where they are for lack of appealing alternatives. Constituents are ahead of their leaders with a sense important change

is needed, but they are saying: "It's up to you to offer us something. Don't just take polls and echo them back." In all these countries there is a growing distance between the people and the politicians, a disconnection which is remarkable in the age of

which is remarkable in the age of television and endless surveys.

Maybe television has something to do with it. It brings politicians harangues and smiles and ties right intopeoples homes, but the people do not feel the candidates know any better than they do what should be done.

Francis Fukuyama's book "The Ford of History and the Last Man". End of History and the Last Man" (Free Press, 1992) has made the bestseller list. But the mood is the opposite of his thesis that the long struggle for the recipe for the good society is

On the contrary, the palpable irri-tation felt by voters reflects an ac-

During World War II it was obvious that the world would have to change, and intense efforts were made to. study and plan for the period ahead. There was thoughtful gestation of the principles and structure of what the late Dean Acheson called "the creation" of the postwar world. And

Nothing similar is going on now, though it is just as obvious that new principles and relations are needed. The only visible attempt is the ludicrous Pentagon idea of a world run. by America's military and financed by grateful protectees all over.

Allies shuddered when they heard this. If anything, it increased their concern about America's uncertainties. And yet, urgency is evident. Two sets of figures give an inkling of the immediacy of need for innovative, concerted action and the staggering

Popeye was bought by the United States (in their first column Popeye gist who was chief author of the 1982 paper from Novosihirsk (in the for-But now they question Popeye's "full parenthood." They say that mer Soviet Union) which gave the first arguments and proposals for perestroika, says that in 1990 the per-Popeye was "enhanced" by the United States with "stealthy" qualities in capita wage in Russia was 40 percent a "black" operation so secret that it above subsistence. In August 1991 it cannot be pubbely mentioned, except was 40 percent below subsistence, and it is still falling. She estimates that 67 percent of Russians are be-Squad: The Israeli Popeye, suddenly acknowledged by Evans-No-vak, was not "stealthed" with U.S. neath the poverty level and exist only

technology. American specialists laugh at the idea, A missile is not a The other figures come from Germany. The Bundesbank reported that the former East Germany, with 20 turkey that can be plumped up simpercent of the population, produced 7 percent of national output last year. To put stealth technology into Popeye would mean rebuilding the missile. That would cost about \$I To reach today's level in former West Germany in 10 years, it would have to grow 200 percent, impossible even with the vast amounts of money billion; it would be chesper to build Evans-Novak: The United States

former Communist countries lack Perhaps now more than ever, there is an understanding that history does not just happen and compel submis-sion, it is made by men and women

and explain the decisions they consider best. Where are they? Voters are not content with the same old "just trust me" from what seems like the same old crowd.

Democracy is a process for correcting mistakes and making adjust-ments. It still needs ideas and public-Thus ends this chapter of the adventures of Evans, Novak, Popeye spirited action. That is the shortage that leaves

electorates feeling cheated. Flora Lewis

and Pinocchio — only slightly amus-ing but enormously revealing. The New York Times

# Burma: 30 Years Under an Iron Fist

### By Josef Silverstein

P RINCETON, New Jersey — Thirty years ago this month, General Ne Win and the army seized power in Burma. They imprisoned members of the elected government and imposed a dictatorship. The military still rules, and there is little hope for change soon.

In the weeks before the coup, farmers brought in a

regularly and new Japanese-made sleeping cars were much in demand on the Mandalay-Rangoon run.

Various insurgencies were in progress, but the prime minister, U Nu, had persuaded minority leaders in come to Rangoon and seek a peaceful solution. Newspapers commented on issues of the day with no fear of government interference.

Burma was probably more peaceful in 1962 than it had been at any time since independence from Britain in 1948. In that 14-year period of civilian rule, three national elections had been beld in which opposition parties campaigned freely. There were, to be sure, political problems and dis-

content. But there was a strong and independent Su-preme Court, which translated constitutional principles of political and human rights into real safeguards for the people. Farmland was still in private hands. U Ne Win and the military replaced this free and democratic system with one that relies on compulsion

and internal spying. In place of a fair and responsible bureaucracy, corruption became a way of life.

fits in housing, education, travel and consumer goods. In foreign policy, General Ne Win leaned toward the socialist states and away from the West. In time, he moved so far leftward that English ceased to be a language of instruction, the quality of education de-

General Ne Win is now officially retired, but it is believed that the soldier-rulers constantly consult him, Since suppressing a pro-democracy uprising in 1988 and ignoring the results of n general election in 1990. the armed forces have ruthlessly crushed opposition. There are no rights or freedoms, or institutions to uphold them. The media are the agents of the rulers. Newspapers and radio stations are used in condemn

Soldiers act without restraint. They often attack and brutalize innocent villagers. The junta has moved to suppress minority and opposition groups in western and eastern Burma, even at the cost of driving thou-

country has broken off diplomatic relations with the Burmese military government. The United Nations Development Program continues to give aid to Burma. Although the junta has blocked the UN Human Rights Commission from ascertaining the truth about conditions in Burma, China and several other countries have been selling arms to the Burmese military, and foreign firms continue to do husiness with it. Without conrdinated international pressure, it is hard to see how the situation in Burma will change.

In an effort to rewrite history, the soldiers argue that Burma was near collapse and that theirs was the only way to save it. In fact, the situation was the opposite.

bumper rice crop, consumer goods were relatively abundant and prices were stable.

One could drive without military escort from the central city of Mandalay, where I was teaching to Taunggyi in the east or Bhamo in the north. Trains ran

In the name of Burmese socialism, people were shorn of their rights; the military would tolerate no criticism or opposition. Many able and independentminded citizens were driven into exile. The armed forces became the privileged class, given special bene-

clined and Burma fell behind its neighbors in preparing its youth to participate in the changing world economy. Only in the face of near-economic collapse in the mid-1970s did the military change course and seek Western

Daw Aung San Suu Kvi, the opposition leader and Nobel Peace Prize laureate, who is under house arrest. Anyone who dares to criticize the armed forces is liable

sands of refugees into Bangladesh and Thailand.

### 1892: Death of a Poet NEW YORK - Walt Whitman died

last evening [March 26], at seven o'clock at his home in Camden, New Jersey. He was nearly seventy-three years old, and for the last few days had been much weaker and taken but little nourishment. The funeral arrangements are not yet completed, but the burial will be at the Harleigh Cemetery, on the outskirts of Camden, where the poet personally superintended the erection of his tomb some months ago.

### 1917: Wilson Calls Militia

The unorganized reserve militia

20.500,000 men. President Woodrow Wilson has issued a proclamation authorizing an increase in the United States Marine Corps. Although it is unknown what caused the President to call out the militia at this time, it is rumored that the discovery of a new German intrigue prompted the action.

on the Murmansk coast under the protecting guns of the Red Fleet, in a surprise Arctic offensive to clear the Allied northern supply lanes and menace the Nazi-Finnish northern flank, it was announced tonight [March 27]. The air force is co-operating with the sea and land forces. In a German-Russian battle over Murmansk early this week the Rus-

OPERATION DESERTING POPULARITY

the horribly conceived recent visit with the Big Three automakers. Lacks strategy. Grade: B-.

 Panama: Waged a questionable war to capture Manuel Noriega, then let that sad country once again become a drug haven and money-laundering center. Grade: F.

little time on these critical and difficult matters. Grade: B-/C+. New Agenda Issues: Depressing-

economic policy is now at the center of world politics. No sense of the need to adapt foreign policy and ma-chinery of government accordingly.

By Stephen Rosenfeld

using it in move the open society of Israel? How can

Mr. Bush appear so insensitive to the predicament of a democratic farael all but encircled by underno-

There is some urgency to the issue: If the end of the Cold War has undercut high strategy as a basis of the American-Israeli connection, and if memo-

ries of the Holocaust are fading, what other large

factor is there than the community of democracy?

In fact, the matter of democracy cannot be

separated from the matter of peace.

In a more forgiving world, the United States would help hold the Middle East, or the Arab-Israeli.

part of it, reasonably stable until the Arabs adapted

to democracy and from that new plane made a real peace. Many Israelis would like it that way.

But it is the prevailing American judgment — a sound one, I think — that even in the absence of

such a democratic dawn, changes in the internation-

al structure and in Arab society make it possible and

necessary to move toward peace. What sort of

peace? The only answer must be: a compromise exchange of land for peace, territory for acceptance.

This is how Washington comes to be tugging on

cratic, hostile and unreliable Arabs?

times blind to sea changes under way.

More attimed to the passing era of
balance-of-power politics than to the
coming world, where policies need to transcend national boundaries and per-spectives. Final grade: B- and sinking. The New York Times.

A Proper American Course on Democratic Israel but also democracy, since in conditions of peace local forces lose the excuse of peril and confronta-

tion for arbitrary rule.

But suppose Israel continues to reject the landfor-peace equation. Suppose in the June elections
Israelis, knowing exactly what is on the line, re-elect Likud, the party of annexation.
The Knesset member Shulamit Aloni, leader of a new left-of-Labor bloc called Meretz, wants Americans to understand that this course, which promises the subordination of a large unconsulted and unconsenting Arab population, is leading Israel away from its precious democracy, notwithstand-

ng the fact that Israeli voters may reaffirm it. Democracies dealing with each other are one thing: It is reasonable to expect good results. The trouble arises when a democracy harbors a goal, annexation, that can only be served by the undem-ocratic means of denying the political rights of a minority people.

If this were essential for Israeli security, the Israelis might claim an exception. But there are security alternatives: negotiated borders, peace treaties to firm up Arab coexistence obligations, the reduction of the Palestinian grievance, agreements on arms and arms control, and American

and international patronage.
It is patronizing to say America must be more concerned for Israeli democracy than Israelis are. But it is right and proper to say America cannot support an undemocratic course.

was not even mentioned).

in an Evans-Novak column.

ply hy sliding in more stuffing.

stealth missiles from the beginning.

loaded "enhanced" HAVE NAP-Popeyes aboard 12 B-52s and on the

first day of the Gulf War attacked

raid using the non-stealth Israeli-cre-

ated weapon was discussed at brief-

ings before the war but never carried

out. That should help pinpoint the

And the U.S. Air Force would not

be crazy enough to load weapons supposedly valuable for their stealth

aboard B-52s that would wake up all

Iraq before they got near the target.

Squad: It never happened, A U.S.

Iraqi anti-aircraft with them.

Evans-Novak Pinocchio.

Arabs and Israelis alike to find a way.

This is not to say that every day the Bush-Baker team acts with skill and tact. It is to say that there is a high purpose to American policy, however poorly it may be articulated. The purpose is to bring peace, The Washington Post

# The Only Slightly Funny Adventures of Popeye, Part 2

### N EW YORK — Let us continue with the adventures of Evans,

Novak and Popeye. The first two are, of course, the famous American journalists. Popeye is an Israeli. But the famous journalists keep confusing him with some kind of secret American agent. So the

adventures are a little comical. But they are also very revealing. They show bow the columnists Rowland Evans and Robert Novak spread a nasty story and then how they reacted when presented with strong contrary evidence.

Evans-Novak not only did not correct the column, but dag their journalistic pit deeper by embellishing the story with more "details" that are denied and derided by U.S. military

experts, in and out of government. The episode tells a lot about bow the practice of journalism and the practice of intelligence can dovetail for an attack against a common political targes.

By A. M. Rosenthal To it: On March 16, Evans-Novak reported that Israel was about to sell the Chinese a missile called STAR. They said this air-to-surface missile contained American "priceless high technology." They said the United

HAVE NAP. in the Gulf War. The column charged that HAVE NAP technology had been obtained by Israel from an "open-handed Uncle Sam." It said that to become China's arms middleman, Israel was providing Beijing with what it wanted: secret American technologies.

That column came out soon after stories that fsrael had transferred to China technology from Patriot mis-siles lent by the United States to defend Israel against Iraqi Scuds. The fsraelis say that is a lie. A U.S. team is now investigating on the spot. On March 20 I wrote a column

tion — official and private specialists (IHT, March 21).
They said the mysterious HAVE NAP was not an American missile at all, but Israeli. In the Israeli military, its English name is Popeye.

> States because it was good and relatively eheap for a long-range televi-sion-guided missile — about \$1 mil-lion each. It is now made in the United States jointly by Rafael, its original Israeli manufacturer, and Martin Marietta of Georgia.

not America's.

says, followed by my truth-squad facts. Evans-Novak: Well, yes. STAR was "patterned" on Popeye, and yes,

### States had used the missile, called Popeye was bought by the United

So as air force, Martin Marietta

and private experts told me, if STAR is based on HAVE NAP, Israel is selling its own technology to China.

Now Evans-Novak have replied to me in a new column. This is what it

# based on American expert informa-

aid in revive the economy and improve education.

to be jailed or worse.

Despite this record of intensifying repression, no

The writer is a professor of political science at Rutgers University and author of several books on Burma. He contributed this view to the International Herald Tribune.

In the Dark By Flora Lewis O ARIS — As people in the former

the state of the s program and an application of the second sec ALTERNATION TO SEE Sir American der Salt pli han der eine Mandel eiler der eine Mandel eiler der eine der macht den dans

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MOSCOW - A

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over and it is only a matter now of etting on with everyday life.

knowledgment of a new era at hand and a bewilderment at how to shape where to find the guidelines. This is true in international affairs as well as within national polities.

it was effective.

dimensions of the task. Tatiana Zaslavskaya, the sociolo-

on dwindling reserves.

pouring in inclusion in the European Community and advantages other

who make decisions. Leaders are supposed to formulate

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO reaches a total of more than

WASHINGTON - The mobilization of the National Guard goes forward without any perceptible hitch and now includes thirty-four States. The total strength of the National Guard in Federal service in September. 1916. was 143,704 men. Thestrength has been greatly increased but the figures are not made public.

1942: Surprise Attack MOSCOW — [From our New York edition:] A sea-borne Russian force has landed behind the German lines

sians shot down eleven out of sixtysix Nazi planes.

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Page 5

# Azerbaijan Hits Passenger Jet

### Aeroflot Flight Lands Safely in Armenia After Attack

Compiled by Our Staff From Dispatches MOSCOW --- Azerbaijani weapons fire damaged an Aeroflot passenger jet flying from the disputed region of Nagorno-Karabakh 10 the Armenian capital of Yerevan on Friday, but the plane landed

safely, Armenian officials said. The Yak-40 three-engine jet with 30 passengers and four crew members aboard was hit over Azerbaijan shortly after takeoff from Stepanakert, the capital of Nagorno-Karabakh, said Mikit Kazaryan, a spokesman for the Armenian government in Moscow.

Mr. Kazaryan said the plane was hit by a heat-seeking missile, but officials in Nagorno-Karabakh said it was struck by anti-aircraft

The impact damaged an engine on the plane's tail. The pilot was able to shut the engine down and

(Continued from page 1)

ers-by in a women's dressing gown. How else are we meant to live on

our pension of 340 rubles?" That

sum is \$3.40 at the bank exchange

The new Russian government of President Boris N. Yeltsin does not

merely tolerate the anarchic street

markets. It is encouraging and pro-

tecting them, as an instrument in

smashing the state monopoly in

trade, and in fighting an informal but ubiquitous malia of govern-

ment apparatchiks and big-time criminals who bave controlled the

distribution of scarce goods.

A month after abolishing most

government price controls on Jan.

1. Mr. Yeltsin issued a decree giv-

ing private citizens the right "to

buy, sell and engage in middleman

operations" in virtually any public

place. The police, which until then

had combated speculation, were in-structed to protect the street trad-

rapidly, but this creates new possi-bilities," said Deputy Prime Minis-

ter Yegor Gaidar, the government

economics czar, whose spacious of-

fice almost overlooks the chaotic

scene ontside Detski Mir. "It

makes the cost of controlling trade

prohibitive."
The explosion in sidewalk com-

merce that has taken place in Mos-

cow and several other large Rus-

sian cities follows the pattern set by

Poland in 1990 after the introduc-

tion of economic "sbock therapy."

The Polish government eventually

restricted the traders to designated

At first, the crowds around

Detski Mir were mainly made up of

poverty-stricken pensioners and housewives desperate to sell a few

personal belongings in order to buy food. These people have now been joined by hustling entrepreneurs

and semiprofessional traders who

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can earn many times their official

salaries by indulging in the capital-

"For most people, it is impossi-ble to live on their regular salary,"

said Mr. Kovalenko, who works for

the state airline Aeroflot. "This

During a recent trip to Congo,

Mr. Kovalenko bought 10 hugo

pineapples for a total of \$15. He

to travel abroad as often as Mr.

ist art of buying and selling.

makes life bearable."

1.200 rubles.

ACROSS

Jim and family

19 Moderate gallop

26 Green film on

21 Contrition

Bible

24 Object

25 Slayed

27 Spanish muralist

28 Grooming

process 29 Stumble

30 Lapse

32 La-di-da

35 — fors (once, in Paris)

39 LUCKY FIDO.

OWNER

4S Cinderella's

46 Turnkeys

49 Black bird

5t British P.M.

50 Italian angels

instruments

stepsisters, e.g.

shrew

43 Pip

42 Shakespeare's

WORDS HE'S A

FINE FATHER

36 IN OTHER

22 Zoroastrian

1 Bodice

6 Exputtor

We cannot defeat the mafia

ers from barassment.

SIDEWALK: Ex-Crime Pays

gines, Nagorno-Karabakh officials

Some passengers suffered minor miuries, the Tass said. Quoting the Nagorno-Karabakh government, it hailed the pilot's "extraordinary skills" in landing the aircraft. Armenian officials in Moscow

Tass described the weapon as a surface-to-air missile. It said the aircraft caught fire, but that fire fighters at Yerevan's airport put

said about 10 passengers were in-

out the blaze. But a spokesman for Armenians in Nagorno-Karabakh said all the evidence pointed toward the aircraft having been hit by 40mm

"Preliminary data shows it can-not have been a missile," the

tery-powered dogs that yap and stand on their hind legs. It turned out that the defense plant, which

used to produce periscopes for nu-

clear submarines, is on the verge of

bankruptcy. In order to keep the workers occupied, the plant stolc some yapping-dog technology from Japan and began churning out chil-

dren's toys in place of periscopes.

Enterprising workers buy up the toys and take day trips to Moscow

to sell them on the street.
"Here in Moscow, everybody seems to be buying and selling," said the worker, Masha, who re-

fused to give her last name because

she feared it might get back to the

factory management. "But in the provinces, this is still considered

speculation. If I wasn't able to earn

extra money in this way, it would be impossible for me to feed my

The unregulated nature of the

street markets has alarmed govern-

ment bureaucrats accustomed to

controlling every aspect of eco-nomic life. The head of the Moscow

public bealth department, Nikolai

Filatov, recently warned that un-

controlled street trade in food products could lead to an epidemic

of stomach problems from tainted

Alarmed by the scenes around

the Lubyanka and Detski Mir, the

Moscow city government has urged

Mr. Gaidar to restrict the right of

free commerce to specific areas, as

the Poles have done. But the deputy

prime minister is unwilling to com-

promise on his free-market princi-

for this kind of trade, it would become easier to control," said Mr. Gaidar, who has set himself the

goal of defeating the hureaucratic matia by changing the economic ground rules on which Russian so-

ciety operates.

"If we set aside one or two places

family.

anti-aircraft guns.

land safely in Yerevan on two en- spokesman said. "It would have destroyed half the plane."

The attack came as the two former Soviet republics agreed to extend a cease-fire in the disputed territory until peace talks can start. The cease-fire, brokered by Iran, went into effect March 20 in allow a UN special envoy, Cyrus R. Vance, to visit the region.

At least 1,500 people have been killed in four years of fighting be-tween the two republics over the largely Armenian-populated en-clave, administered by Azerbaijan. Despite the truce, the two sides have shelled each other practically

every day.
"If it is a cease-fire, if the thing that exists can be called a ceasefire, it has been extended," said Ashot Antenyan, press secretary in President Levon A. Ter-Petrosyan of Armenia. (AP, Reuters, AFP)



Compiled by Our Staff From Dispatel BELIING - After more than four decades of Communist rule, the government on Friday submitted a bill to the legislature that declares wom-

"China still has a long way to go in realizing women's equality with men," the official Xinhua news agency quoted Zou Yu, an official of the National People's Con-

gress, as saying.
"Actual differences exist betus," Mr. Zou said, adding that change is not likely to

The women's law was drafted partly in response to West-ern criticism of human rights problems in China. The legis-lature approved a law on children's rights last year, and the government points to it as proof that it protects the rights

stamp National People's Con-gress before it ends its annual

# To Women

en equal to men at work and at

tween men and women in terms of social and family sta-

of all segments of the popula-

session next week.

(AP, Remers).

### AID: U.S. Will Buy Reactor

(Continued from page 1)

Detski Mir is good," he said.

countries in designing and building a fusion energy reactor, to be known as the International Thermonuclear Experimental Reactor,

has now resold them at a 500 per-Russian scientists are among the cent profit. His net earnings of 7,500 rubles may seem little by Western standards. But in Russia. world's leaders in the study of fusion energy, and the Energy Department has already announced a deal to put 116 Russian fusion scithe average monthly wage is about entists on its payroll to keep them Few Russians, of course, are able

Mr. Fitzwater said the adminis-Kovalenko. But even those who tration envisions the purchases aphave never been outside Russia are proved Friday as the first in what finding opportunities for comwould become a thriving two-way technology trade benefiting the merce that never existed before. A few yards farther on, a worker United States as well as the former from a secret defense plant in Soviet republics. northern Russia was selling bat-

Washington will lift regulatory restrictions imposed on such trade during the Cold War, he said, and will give a "presumption of approval" to applications for U.S. export licenses for "dual-use items" those usable in civilian or military applications - intended for civil-

### **Bush Picks Ukrainian Envoy**

ian purchasers.

Agence France-Presse WASHINGTON - President George Bush on Friday named the deputy White House spokesman, Roman Popadiuk, as the first U.S. ambassador in Ukraine, Mr. Popadink, 42 is the son of Ukrainians. and be speaks Ukrainian.

A Kurdish family selling cigarettes in Karkuk, the capital of Iraq's Kurdish region, 300 kilometers north of Baghdad.

or teach; the Turkish constitution

specifically denies the Kurds' claim to a separate political identity. When Mr. Demirel traveled here

themselves from what the authori-

ties call terrorism, and a warning of

harsh tactics toward those who do

against what officials say are Kurd-

ish bases in Iraq. The attacks have

This strategy includes air strikes

KURDS: Turks Seek to Handle Insurgents and Still Be Embraced by West

through

analyst at First Michigan, said the

mistake would have little impact on New York Stock Exchange began Salomon's profits because the stock an investigation but issued a statecould be bought back at close to the ment pointedly reminding the insale price, at a net loss of only a few dustry that it had already proposed million dollars on the whole trans- a rule that would stop last-minute action. Lynch Jones & Ryan has "market on close orders" by proforecast Salomon's 1992 profits at gram traders after 3:45 P.M., al-\$3.48 a share, down from \$3.90 last lowing time to flag and unravel 'year but almost a triumph consid- them if they were wrong.

the stock futures market at the Levy Institute at Bard College traced the trouble to the end of fixed commissions. He said: "When you negotiate your broker down to a penny a share on a trade, index. Anyone who bought a put he stops acting on your behalf as just before the Dow slumped late your agent and starts acting for Wednesday would have made mon-himself. He can make more money

technology was outrunning the 200 points? Ho market's ability in control it. The together then?

still may not be used to broadcast and independent reporters that the there have been a lot of mysterious

since been reported in action again

against Kurdish guerrilla bases in

which are attributed to government sponsorship of an ostensibly Islam-

Hezbollah, or the Party of God.

fundamentalist group called

"I believe that some security

eople," said Dagistan Toprak, the

the junior coalition partner in

"Since the beginning of 1991,

forces and the government are sup-

porting the Hezbollah against the

Kurdish deputy mayor, who be-longs to the Social Democratic Par-

ry, the junior coantion par Mr. Demirel's government,

What troubles Kurdish leaders

northern Iraq.

Turkish airplanes killed civilians, killings," said Fevzi Veznerdar-including children. Despite those oglu, a burnan rights lawyer, who protests, Turkish warplanes have said he suspected a counterinsur-

here more directly, however, are the human rights official, said that deaths like those of Mr. Gungen, none of the 62 apparently political

gency unit within the Turkish mili-

tinely deny involvement, Mr. Acar.

killings had been investigated and

that there had been no murder tri-

"The government is not trying to find the killers," he said. "ft is not

**Senators Write** 

Syria Urging

Liberalization

WASHINGTON - Two-thirds

of the U.S. Senate has urged Syria

to make buman rights reforms and

In a letter sponsored by Senator

Massachusetts, and signed by 68

others, the senators said that thou

sands of people were being beid in

Syria because they had expressed peaceful political opposition, and

that several of the world's most

dangerous terrorist groups were

in confronting Iraqi aggression during the Persian Gulf War and

Syria's participation in the Middle

East peace process," said the sena-

tors in the letter, which was re-

leased Thursday. "However, many

policies of your government con-

tinue to be a source of deep con-

"We are grateful for Syria's role

based in the country.

cem.

end its support of terrorists.

Although the authorities rou-

Even without ascribing sinister motives, one program trader worried that simple mistakes could bring disaster in the burgeoning 24-hour global market: "What happens in the wonderful world of the future when someone makes a mistake like this in London when it's

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# Thai Denies Trafficking In Drugs, as **U.S.** Asserts

BANGKOK — The prime min ister designate, Narong Wongward challenged the United States or Friday to prove its allegations that he was involved in drug trafficking and said he would begin forming the next government.

"I completely deny this allegation," the veteran politician and business tycoon told a news confetence. "I will continue in lead the process of forming the govern-

News that the U.S. State Depart ment had denied Mr. Narong a visa on grounds of actual or suspected involvement in the drug trade was splashed on the front pages of al Bangkok newspapers on Friday. I was accompanied by commentaries asserting that Mr. Narong's candidacy was harming Thailand's inter national reputation.

Margaret D. Tutwiler, the State

Department spokesman, said in Washington that Mr. Narong was denied a visa in July 1991 under the Immigration and Nationality Act, Mr. Narong labeled Mis-

Tutwiler's statement as "an interference in Thai internal affairs." I and my family have don nothing involving drug trafficking," he said, visibly angry at

news conference. Mr. Narong pointed to state ments by Deputy Prime Ministe Pao Sarasin and by the top and narcotics official. General Chavali Yodmanee, as saying that they had no evidence of his involvement it

Still, there was general agree ment among analysts that a nev candidate for prime minister would have to be found, One possible contender is Cha valit Yongchaiyudh, an ambitiou former army chief whose New As

drug trafficking.

even taking evidence." But state security courts tried 1,200 people last year on charges on supporting piration Party scored well in Sun day's general election. Mr. Narong announced Wednes the Kurdish guerrillas. "I'm scared," Mr. Acar said. "I cannot go out at night. I can't open day that he was ready to assume the my door at night and I never go anywhere alone." prime minister's post. His Sa

ers were discussing a coalition tha would give them 195 seats in Par liament's 360-seat lower house. On Thursday, however, one po-tential partner, the Rassadorn Par ty, which won four seats in Sun day's election, effectively switched its support to the rival New Aspira

makkhi Tham Party and four oth

tion Party.

The New Aspiration and three other parties have called for greater democracy and an electer rather than appointed prime minis

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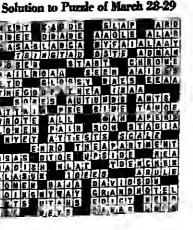
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The women's law is expected to be passed by the rubber-

### SALOMON: A Bad Week for the Chairman (Continued from page 1)

Western-looking aspirations and raises frequent questions about human rights violations, including and systematic torture.

"Turkey has recognized the "Turkey has recognized the Kurdish reality," he said. The comment, and earlier offers to treat the ment, and earlier offers to treat the million seemed.

because he was responsible for government bonds, claimed at least \$11.42 million but was offered only \$447,000. Protracted wrangling

(Continued from page 1)

have been fighting a guerrilla war against the Kurdish Workers Party. More than 3,300 people have died

in a conflict that corrodes Turkey's

In this region, fringed by Iran, Iraq and Syria, even legislators car-

with Salomon seems likely.
Then, late Wednesday afternoon, five minutes before the 4 P.M. closing bell, a Salomon secu-rities clerk hit a computer button with program trading orders to sell several hundred million dollars' Xerox," said Laszlo Birinyi, who specializes in program trading at his own firm and used to set up

such trades for Salomon. The clerk mistakenly converted the dollar value of the shares into an order in sell that number of shares, triggering an order to sell 11 million shares instead of \$11 milbon worth of shares. About 400 different shares were said be involved, and the sell order sent the Dow Jones industrial average down 15 points in the market's final min-

How could this happen? Some analysts blamed it on Mr. Manghan's attempts to rein in the firm's freewheeling trading culture de-scribed in the best-selling book "Liar's Poker," but in fact the clerk was an experienced employee and not a novice hired during the recent

Perrin Long, a securities industry

ering what the firm has gone

But the biggest shift may be in all those eyebrows going up again on Wall Street. No one suspects Salomon of acting outside the law or even ethics, but Mr. Birinyi asked,

What happens next time?" order hig enough to move the market can make money by going inin same time and betting that the index will fall. This is called "frontrunning," and technically it involves buying a "pui" on the stock

Some Salomon traders said they saw the firm's chief futures trader shouting at a senior stock trader as they tried to buy futures to limit Salomon's losses after the botched trade. The firm said later that it

caught the mistake before the full order went through.

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BELLE EPOCH

Mr. Mayer said be suspected that firms would prefer leaving open the Edward M. Kennedy, Democrat of possibility of making profits by trading against their customers on the final and often confused moments of a busy trading day. "If you know your client is sell-Any firm that knows a client is about to put in a huge, last-minute order hig enough to move the mar-

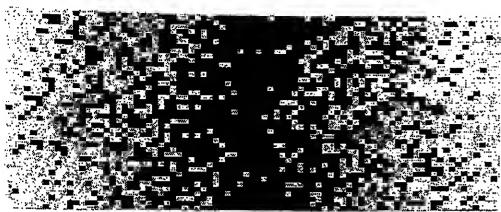
Professor Hyman Minsky of the

that way.

The incident raised nagging only 3 A.M. in New York, and we questions again about whether wake up here with the market down wake up here with the market down 200 points? How do we put things

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'The Seine," painted by Kelly in 1951 during his six-year stay in France.

# American Back in Paris

Ellsworth Kelly's French Years, at Jeu de Paume

By Michael Gibson International Herald Tribune

ARIS - Ellsworth Kelly first came to France with a camouflage unit that landed in Normandy in June 1944. Four years later, thanks to the GI Bill of Rights, he returned to Paris. long with several hundred other aspiring American tists then pouring into a city barely recovered from our years of occupation. He stayed here for six years, leveloping his art and failing to make his mark, and inally returned to the United States on the Queen wary in July 1954, hoping that New York would give is work a more favorable reception. It did.

Last week he was back in Paris for the opening of sis shows at the Jeu de Paume, which is presenting the work Kelly produced during those six years here, and n two galleries (Templon and Stellar Graphics). At i8, with his diffident humor, thoughtful manner and entle reserve, the artist might conceivably pass for a listinguished professor of classical humanities.

Kelly arrived in Paris with an admiration for Picaso and Max Beckmann and an affection for Grimevald's Isenheim altarpiece (the first thing he did upon crival was take a train to Colmar to see it). He also and, echoing in his ears, the voice of Herbert Read authoritatively declaring that easel painting was finshed. The next stage would be a collaboration beween art and architecture.

"When I came here," he said, "I loved Picasso but oon realized that I didn't want to be like him. I'm not European, after all. His painting is the result of an ald culture. But still, I was fascinated by everything I ooked at. There was such measure and clarity. I was and still am fascinated by early medieval architecture md hy antiquity. But when I came here I felt I would se no more than an imitator if I followed these

In fact, coming to France helped him find himself y revealing how different he was in background and

"When I came here I soon grew tired of easel plinting, of depiction, and I wanted something in iteral space, like sculptures. And I guess my work is setween painting and sculpture. I wanted my painting o be something that would not be a depiction but that would come off the wall."

NE of the first people Kelly met was Mi-chel Seuphor. Mondrian's spiritual heir and, through him, Jean Arp. Seuphor became interested in my 'hings," he said. 'And he told me to come to the opening of Hans lichter's show. It was there I was introduced to Arp md, as I was fumbling with my French, he gently took ny hand and asked: 'Do you want me to come to see our art, or do you want to come and see mine?"

Kelly went to Arp's studio in Mendon with two vork of Sophie Tacuber that he had upstairs. I liked 20.

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the anonymous quality and the modesty of the work. I had started doing the wood reliefs and, at that time, I felt I didn't want to sign the works. I wanted them to

This concern with anonymity, with the absence of representation and with making objects that would modestly stand in a common world also bespoke a desire for spiritual relevance in a changing context, and an acceptance of a certain ascetic self-denial in

exchange for such relevance.

This Kelly at one point sought to achieve by looking for motifs and patterns in the world about him. The display of Kelly's photographs in the Jeu de Paume is particularly informative, revealing the process that led to many of his early works: patterns of chimneys on the walls of the Ile Saint-Louis, where Kelly was then living; random patterns of the glazed factory roofs in which panes had been painted over; shadows cast by the banisters on a flight of steps; lines indented into the facade on a building.

Partly because of his early interest in polyptychs, he began painting works on separate panels which were then assembled on the wall. Sometimes one or more panels were made to stand out instead of being set flush. This gradually led him away from the wall to a position somewhere between painting and sculpture. Meanwhile the extreme simplicity of his forms laid an unusual stress upon the way they were presented.

WANTED to include the wall in the painting," he says. "This must have been a need because now I 'own' the wall that the paintings are on. Recently a collector bought a yellow and white painting of mine, a very large painting with different shapes and put it on a red wall. That makes it something else, I told him. 'It is no longer what I intended.' So we are having a hattle."

This relationship to background makes hanging the work a crucial matter: "Hanging the paintings at Templon's," Kelly observed, "I had to adjust the pitch of the angle and when I do it just right there is a certain equilibrium, a tension . . . and if it's moved even a quarter of an inch, it just falls over, it doesn't work."

Kelly's work echoes the latent philosophical as-sumptions of his country and his age. Within the limits this imposed upon him, he has managed to create a manner that does not fit into any school, being neither Constructivist, nor minimalist, though sharing to a certain extent in the austerity of both. The difference, it seems, is that he did not rely on any set program. "I think artists just grow naturally," he says. "Their thing just unfolds."

Organized with the National Gallery of Art in Washington, the show will be in Münster, Germany. June 14-Aug. 23 and at the National Gallery Nov. 1-

"Ellsworth Kelly, les années françaises, 1948-1954," Galerie Nationale du Jeu de Paume, to May 24; Galerie Daniel Templon, 4 Avenue Marceau, Paris 16, to April

# Postwar Art Hits Its Auction Stride

ONDON - Post-World War II art is slowly slipping into the place that used to be held by Impressionism and early-20thcentury masters. This week a series of lowkey sales took on a significance vastly exceeding the numbers involved. The success story was far and away Sotheby's auction of Contemporary Art, put together by its director, Hugues Joffre, who con-

The total fetched £1.855,900 (\$3,136,000) at Sotheby's Thursday, slight-

SOUREN MELIKIAN

ly more than the £1,823,750 netted by Impressionist and Modern art the day before, also at Sotheby's.

Above all the tone and pattern of the auctions were utterly different. The buy-in rate Thursday, just under 13 percent, was lower by half. Both departments had mounted midseason sales of limited scope. But the Contemporary sale included three works — an early Yves Klein, a red-ground Fontana and a Lucian Freud called by Joffre "the top of the top," while the head of the Impressionist and Modern art department would have hesitated to make any such claim even in the moments

of dizziest optimism. More crucial to the outcome of the sale, the majority of the postwar works on offer, which Joffre characterized as "pleasant and affordable," were plausible. By contrast, the Impressionist and Modern drawings and pictures, seen together, added up to the most hopeless bunch of unwanted leftovers I remember seeing at Sotheby's.

HE fate of a sale is often decided in the first 15 minutes. On Thursday, the bidding for the Contemporary art was brisk from the beginning.

The first 11 lots sold without a hitch, an almost unheard of occurrence in any field these days. A pretty little 1950 watercolor by Gustave Singier, "Peniches à Clichy," in which the harges are stylized into pure geometrical abstraction, soared effortlessly to £1,870. In an utterly different vein, Alan Davie's "Marvellous Feeling," done in 1961 in a style reminiscent of Joan Miro, was bought for £4,180 by a collector. Private buyers are having a lark these. days. Freed from the exasperating feeling of being run up by auctioneers operating at the behest of speculative vendors, they go for all the important lots.

The red-ground Fontana with four slashes, considered "important" by Joffre, generated intense bidding. It was acquired by a Tokyo collector on the phone to Michel Strauss, Sotheby's expert in Impressionist and Modern art, trusted by collectors the world over. The Japanese outbid a Brussels dealer, Bernard Cats, at £110,000, less than a third of what he would have had to pay at the height of the

Another of the three most significant works in the auction went to a French collector, underbid by another Japanese collector. Klein's "F3," a "charred cardboard, suggestive of a close-up feminine nude, done in 1961, was described by Joffre as "a museum piece." He wistfully



the reason, he says, is that few people understand these charred cardboards, among which this is perhaps the most important. Most buyers would rather have one of Klein's solid blue surfaces — "composition" is hardly the word for a uniform expanse of color. Indeed, one of these nt up to £121,000.

Here again the buyer was a collector, this time from Germany. Bidding over the phone, he defeated a French collector in the room. Interestingly, this was the first time the German was buying a work in one of Sotheby's auctions of Post-War II art, to use the art world's expression. He might not have been tempted two years ago, when the estimate for a work such as this would have been four times as much.

The difference in price is largely due to the collapse of Swedish speculation. Not only have some latter-day collectors gone under, such as Carl-Eric Björkegren, a hotel owner and real estate developer, but so have some of the dealers who catered for them. Björn Ressle of Stockholm went out of husiness last year. Others are still around but not very active on the London auction scene. Bo Franzen of Stockholm. for example, who might have been drawn into the bidding two years ago, took no part this time. The market coming alive now is entirely spontaneous and healthy.

ONTRARY to a widespread belief, professionals have not descried the scene. They fought with determination over a 1965 Fontana. Two trees are cut out in lacquered wood as part of a frame with irregular contours around an intense red surface with a dotted circle in one corner. Cats, the Brussels dealer, got it for added, "at £82,500, this is a steal." Part of £60,500, underbid by a colleague from mium. The Vuillard pastel view

Milan. Later, another battle involved professionals. Gerhard Richter's "Mondstein," a moonlit mountain landscape, climbed to £170,500, courtesy of a Swiss dealer who wrested it from a German collector who in turn had just deterred a German dealer.

The contrast between the recurring bidding matches in the Contemporary Art sale on Thursday and the duliness of the Impressionist and Modern art sale on Wednesday, was extreme. Here again, the outcome was obvious from the beginning. By the time lot 11 had been knocked down, four items had failed to find buyers. This was not due to a lack of interest from those attending but to the miserable

A spontaneous and healthy market in Contemporary art is coming alive now.

quality of much of what was being offered. A charcoal sketch by Degas of a woman who seems to have two left arms got through, only just, as it found a sympa-thetic soul prepared to pay £17,600 — less than the low estimate.

That a mood of cool realism now prevails could be seen in a typical early se-quence in which a delightful pastel study for a seascape hy Boudin in miniature size went up to £9,900, while an unattractive beach scene in brownish tones only made it to the low estimate of £4,400, with pre-

room that followed adds little to the artist's reputation and was left stranded at £9,500. It is back to the old days when people who knew what they were doing looked at the picture, not just at the artist's name. On Wednesday, they let 52 of the 200 works drop dead because they were

But when a naff landscape by the virtually unknown Dominique Paul Peyronnet came up, it did not go unnoticed. The artist was a printer who started to paint in 1920, by which time he was 48. His precise, neat lines betray his professional training and give his work a distinctive flavor, very different from that of Andre Bauchant or Camille Bombois, his contemporaries. Sold by the estate of Alfred Hecht, London's most celebrated framer - from the 1950s Hecht framed nearly all the works by Bacon — it was well known to art professionals. Without any hype, it made more than 50 times its high estimate as it ended its upward course at £89,100. The unidentified buyer had left a commission. bid which defeated another, equally anonymous, buyer on the phone. Rumor has it that it will adorn the private collection of a famous professional.

Earlier in the week, Christie's more. modest Impressionist and Modern sale had already suggested that anything worth looking at, but only that, sells. A pretty, very small riverside scene with two washrwomen by Engene Boudin, sold for £22,000, and an interesting Léon Spilliaert landscape, possibly later than the 1909-10 date suggested in the catalogue, which made £22,000, can be put in that category. Of Impressionism, strictly speaking, there was hardly a trace as far as oil painting is concerned. A page has been turned in the

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### **ECONOMIC SCENE**

### **Financial Borders Prove** Difficult to Tear Down

By Lawrence Malkin International Herold Tribune

EW YORK - And oow, The End of Geography: A provocative hyperbole on the global integration of finance, which publicly wonders whether the vision of a completely borderless world of money can ever be realized and warms that much must be done before it is.

The reference, of course, is to Francis Fukuyama's best-seller, The reference, of course, is to Francis Fundyania's obsistence. The End of History and the Last Man, which sees the history of the past century as the clash of ideologies that now have been vanquished by liberal democracy (as if that were out an ideology). The new analysis with the derivative title is by Richard O'Brien, chief economist of American Express Bank and editor of its

Covernments are

unlikely to willingly

respected monthly newsletter. He discusses the national financial barriers that arose during the century after the collapse of the gold standard and are being pushed down, mainly by new information

yield control over money to a stateless

Mr. O'Brien got the catchy handle one night when he could not sleep. Resisting scholars who sniffed at the popularizing title, he has just had his paper poblished by the Council on Foreign Relations in New York and the Royal Institute for International Affairs in London. His contribution is to raise some belated but still useful questions after the facile optimism of a few years back, when barriers to the exchange of financial instruments were all supposed to come apart in one Big Bang. He writes:

"The glorious end-of-geography prospect for the close of this century is the emergence of a seamless global financial market, bringing back memories (for those with long memories) of the

bringing back memories (for those with long memories) of the free-capital area of the late 19th century. Barriers will be gone, service will be global, the world economy will benefit and so, too, presumably, will the customer, being offered global choice.

"For many observers this prospect is somewhat utopian, at least in terms of its attainability. A more sober look at the crystal ball suggests a rather bumpy road: intense competition among financial fittings, with major bankruptcies, forced mergers followed by massing shakeaute origin for mystemers and producers glike, proceeded. sive shakeouts, crises for customers and producers alike, repeated losses from overambitious investment in new technologies, financial crises leading to the socialization of losses (a la S&L's) and seemingly intractable problems in reconciling fundamental differences between contrasting financial systems,

HESE PROBLEMS arise from a basic conflict. On one side is a flow of fungible money surging across borders via computerized telecommunications. Against them stand the world's governments, who are unlikely to preside "actively and willingly, over their own demise" by yielding control over their money to a stateless marketplace.

The basi compromises Mr. O'Rien groves can be reached by

The best compromises, Mr. O'Brien argues, can be reached by governments working through the panoply of international orga-mizations to which they already belong. He does not hide his preference for making central banks the principal negotiators, because, as he says, "that's where the money is." He has drawn up an agenda, which he orders by a combination of the difficulty and importance of the various points.

At the top is protecting the consumer as he strays into unfamiliar territory across borders, or controlling unpoliced institutions coming after his money; the urgency of this lies no farther than the collapse of the Bank of Commerce & Credit International. This is also allied to coordinating financial regulation, a long-standing problem that often founders on national prerogatives.

Next is the relationship between business and banks: Deep cultural differences separate the German and Japanese practice of linking the two, and the American prohibition against allowing banks to invest depositors' money in their own ventures. A more open world economy would force out more information about these links, which have supported growth in both countries. But they have come under fire in Japan's financial scandals and in

**CURRENCY RATES** 

See BORDERS, Page 9

### Trade With East Daunts Even Germans

By Richard E. Smith

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FRANKFURT — The collapse of Eastern Europe's trade with Germany, its most important partner, is certain to worsen over the

next year, economists and bankers say. This trend, they say, will complicate the East European nations' attempts to get their economies on their feet. Many politicians had hoped that the industrial countries, and Germany in particular, could help lift the struggling East-

ern economies by buying their products.
But the Ost-Ausschuss, a private-sector research institute in Cologne that specializes in
East European matters, said German exports to the area plummeted 29 percent, to 37.9 billion Deutsche marks (\$22.8 million), in 1991 and imports slumped 10 percent, to 32.9

billion DM.

The figures show clearly that even German exporters, long the most experienced and interested in Eastern Europe, are oervous about the region's uncertain regulations, in-

frastructure and currencies.

"You will not see a major improvement in trade until the area's general economic bealth improves and this process cannot be forced from the outside" said Heinz Vortmann, economist with the German Institute for Eco-

nomic Research in Berlin.
"These countries will have trouble with trade for at least several years because their ability to pay for imports is so unclear," said Inge Weidig, economist with Prognos AG in

The problem was highlighted this week when German officials announced the Russian government has not yet agreed to proJobless Wave in Russia

Compiled by Our Staff From Dispatches MOSCOW - Unemployment in Russia is expected to soar this year as a wave of bank-ruptcies sweeps the country's inefficient in-dustrial sector, officials at the Russian Minis-try of Labor and Employment said Friday.

There have been oo bankruptcies so far,"

First Deputy Minister Vladimir Kosmarsky said, "but they will start in the summer, and as sooo as this begins the situation on the

labor market will change dramatically."
Mr. Kosmarsky said about 70,000 people in Russia had so far applied for assistance from the ministry and some 18,000 were cur-

reatly receiving unemployment benefits.
"We forecast six million people will apply for benefits by the end of the year and about two million will receive benefits," be said. This would bring unemployment to around 2 perceot, low by Western standards but high compared with the former official levels under the Soviet Union. (Reuters, AFX)

vide guarantees for an additional 5 billion DM in imports from Germany. Since hardly any German exporter is willing to do business in Russia without such guarantees, the new development could well slash trade flows. Economists ooted that as much as 60 billion DM in potential German business with

the East has been frozen because export insurance is not available. There are a few bright spots. The Ost-Auss-chuss ooted that Polish exports to Germany

on a painting booth to contain chemicals.

control is overhead."

But most frustrating is the oew-car sales slump. Last year Mr. McGuirk sold 953 cars and trucks, down 27 percent from his best sales year in 1988.

Two or three times a week a trailer arrives with new cars, and Mr.

McGuirk and his salesmen wooder who will be the buyers.

"I doo't bave a choice to buy low and sell high," he said, "I pay what
Ford charges and sell at what the market will bear. The only thing I

control is overhead."

Joseph and Mildred Cotter were in the showroom the other day looking for their first new car in 10 years. Mr. Cotter, a retired English and Latin teacher, said he ranked car shopping just above surgery and buying a bouse, and below every other possible activity.

Mrs. Cotter, a retired librarian, seemed to like shopping even less, "I'm a Toyota person," she told the salesman, Arthur E. Behrmann, The Toyota the Cotters drive is 23 years old, Mrs. Cotter said, and "she's a good little car, but she's beginning to show her see."

good little car, but she's beginning to show ber age."

Mr. Behrmann, who has sold cars bere for 39 years, thought the Cotters

were a good prospect. He offered them the keys to a Taurus sedan for a test drive, and as Mr. Cotter reached for his wallet to show his license, Mr. Behrmann said, "You drove in bere, that's good enough."

TWO

rose 4 percent and imports from Germany

climbed 11 percent last year; German imports from Czechoslovakia climbed 15 percent.

But virtually everywhere else the numbers are discouraging and the prospects more so.

Prognos AG predicted in a study a few weeks
ago that the successor states of the Soviet
Union and Yugoslavia look unlikely to resume growth as a group until after the turn of the century.

On a purely economic plane, trade with the East is a relatively modest consideration for Germany, the world's largest exporter. The East accounted for only 5.6 percent of Germany's overall exports and 5.2 percent of its imports last year.

But the area is of growing importance to German politicians, who fear that Eastern Europe could pose serious geopolitical prob-lems if ailing economies spawn social unrest. As a result, economists expect Bonn to keep pushing for quick entry into the European Community by Hungary, Poland and Czechoslovakia and for broader world eco-comic support of the Soviet successor states.

lo a typical move, German government officials announced Friday in Berlin that a cooperation council had been formed with the Ukraine to deepen economic relations. At the same time, economists warned the scope of the transitions in Eastern Europe

scope of the transitions in Eastern Europe makes rapid adjustments impossible no matter how compelling the political needs might be. "We don't expect much of a regional recov-ery before late 1992 or 1993 in even the most promising countries and trade will only re-

sume when there is a rebound in growth," said Tomasz Telma, economist with Plane-con, a Washington-based consultancy.

# U.S. Income **And Spending Post Big Gains**

WASHINGTON --- In a sign the U.S. economy is rebounding, personal income jumped 1.1 percent in February, its biggest gain in more if the central bank fails to provide than three years, and consumer spending climbed 0.9 percent, the government said Friday.

But Treasury Secretary Nicholas F. Brady warned economic growth

### Weak technology issues dragged stocks sharply lower. Page 8.

could fizzle, as it did last summer, if the Federal Reserve Board did oot foster growth in the money supply. The 1.1 percent rise in incomes, to

a seasonally adjusted annual rate of \$4.97 trillion — the biggest increase since a 1.3 percent jump in January 1989 - boosts chances for reviving consumer participation in a recov-ery. The report also showed January's revised 0.2 percent drop in incomes was a bit steeper than the

original 0.1 percent estimate.
Personal spending increased by
0.9 percent in both January and February to a seasonally adjusted annual rate of \$4.03 trillion, the Commerce Department said. Marilyn Schaja, an economist with Donaldson, Lufkin & Jenrette back moothly iocreases sioce Securities Corp. in New York, said

Mr. Brady blamed Fed monetary policies for recent economic weak-

enough money to sustain the embryonic rebound, and repeated a call from the administration for the Fed to cut interest rates.

"One only has to remember back to last December to appreciate the positive effect on all Americans of that mooth's sharp reduction in the discount rate." he said in remarks prepared for delivery to the U.S. Savings Bond Committee.

"By contrast, in the summer of '91, the growth of the money supply was allowed to slow, and the economy faltered," he said. "If that happens again in the spring or summer of 1992, the recovery will be threat-ened and an opportunity lost."

Uotil last fall, the Fed had been oudging interest rates down incre-mentally to stimulate the economy, But as the economy appeared to grow weaker, it slashed the discount rate by a percentage point, to 3.5 percent, the lowest level in more than 25 years.

spending rose 0.9 percent in February and March last year. The department revised the January figure upward from a 0.2 percent rise.

Scottings Corp. in New York, Sale the strong spending rises in January and February would boost gross domestic product for the first quarter.

(AP, UPI, Reuters)

### **Bush Worried Over GATT**

WASHINGTON — President George Bush is concerned about the possible collapse of stalled world trade negotiations and would welcome "a political push" to get it moving, his chief spokesman said Friday.

Mr. Bush and Chancellor Helmut Kohl of Germany met privately at the U.S. presidential retreat at Camp David, Maryland, last weekend to. try to break a stalemate over farm subsidies in the Uruguay Round of.

talks under the General Agreement on Tariffs and Trade.
"We want a successful round," Marlin Fitzwater, the White House, spokesman, said, "We think the world needs that kind of trading arrange-

spokesman, said. We timink the world needs that kind of training arrangement and so we will encourage a political push from whatever source."

GATT oegotiators have expressed hope of working out an accord by an April 15 target date, but that effort appears unlikely to succeed.

In Boan, an Economics Ministry official confirmed that Germany would alter the guarantees it gives Deutsche Airbus GmbH, an arm of Airbus Industrie and a unit of Daimler-Benz AG, to protect it against currency fluctuations. He gave no details.

A GATT panel miled in January against the exchange-rate guarantees saying that they were a subsidy that distorted industry competition.

## Fear and Losses in the Auto Industry In the Showroom, the Thrill Is Gone — So Is the Profit A front-end alignment machine costs \$5,000, and because of tightening air-pollution regulations, Mr. McGuirk may soon have to spend \$40,000

By Matthew L. Wald New York Times Service

BRONXVILLE, New York - Step into Dwight W. McGuirk's Ford showroom these days, and he will tell you that like lots of auto dealers, his mark-up over invoice is \$500 at most and sometimes as little as \$200.

The number is so small — and sales have been so slow lately that it is a monthly scramble for Mr. McGuirk to finance the \$3 million worth of cars and trucks on his lots, pay his three salesmen and keep the roof over his showroom from leaking.

In fact, he cannot do it all even though what he pays for his cars and

trucks is slightly less than the much-talked-about "invoice price" that many car buyers believe is the dealer's cost. His profit margin can pay the salesmen, but there has not been enough to fix the roof as well. When it rains hard, the water trickles onto a patch of plastic draped on

when it rams hard, the water trickles onto a patch of plastic draped on the hood of a blue Taurus sedan parked near the American flag.

"It's tough, real tough," said Mr. McGuirk, whose father bought Smith-Cairns Ford in this suburb north of New York City in 1961, and where Mr. McGuirk, 36, has worked for 16 years.

His sister Amy, the office manager, watching him dash from the showroom to the lot to the service shop to the body shop and back, bas a name for the mode in which he tries to steer the dealership through this

recession. She calls him "the mad jogger."

While customers often feel the deck is stacked against them when they enter a car dealership, many dealers like Mr. McGuirk run small businesses

trying to survive on shrinking margins and struggling with the mistakes and mandates of Detroit and the seesawing moods of consumer spending. In Mr. McGuirk's view, the deck is stacked against him

To dealers, the world is a bostile place, strewn with printouts that tell customers what the dealer pays for a car, which some shoppers brandish like weapons, filled with trade-ins that break down almost instantly and besieged by vandals who steal everything from radios to cup bolders.

Detroit's Big Three automakers rolled up their worst losses in history last year, and 1,600 car dealers, almost 7 percent, closed their doors. The National Automobile Dealers Association estimated that most dealer-

ships lost money last year on new-car sales.

But with the economic recovery uncertain, competition among the 23,500 survivors seems more intense.

People do not have as much to spend, and everyooe, including the dealers, say the fun has gone out of buying a new car.

Mr. McGuirk's repair shop is profitable but costly. He recently bought

a \$35,000 computer for repairs, the most expensive thing he has ever bought, he said. While the place still looks like a repair shop — tools, lifts and pin-up pietures — it is actually a room where computers interrogate computer chips under the hood. The best mechanics spend 10 days a year in school, learning the intricacies of electronics.

### Chrysler, Hurting for Cash, Sells Off More of Mitsubishi

Compiled by Our Staff From Dispatche TOKYO — Chrysler Corp. has sold nearly half its remaining stake in Mitsubishi Motors Corp. for about \$205 million, the two companies said

The cash-strapped U.S. automaker, which lost \$765 million last year, said it would re-invest the money more profitably.

Chrysler sold 43.6 million shares to 11 Japanese companies, about balf of which belong to the Mitsubishi group, and institutional investors in Europe. The sale reduced Chrysler's stake in Mitsubishi to 5.88 percent

from 10.99 percent.

Jerome B. York, chief financial officer at Chrysler, said that Chrysler's investment in Mitsubishi was "a latent asset" that "yields no significant

"We can redeploy those assets into much higher-return investments," he said. Missubishi said the sale did not signal a rift between the two companies. "It is a fact that we and Chrysler have a business relationship and the continuation of this will not be affected by shareholdings in any way."

said Mitsubishi's managing director, Kazuo Sekino.

Analysts said that profits from such a sale would give Chrysler a cash buffer to belp its three new LH cars — the Chrysler Concorde, Dodge Intrepid and Eagle Vision - and the new Jeep Grand Cherokee got off to

a smooth start. The company has bet its future on these products. The announcement came only three days after Chrysler said it aimed to cut costs by \$750 million this year and forecast that its loss for the quarter ending this month would be bigger than \$30 million loss recorded in the

### Deng on Markets: If They Don't Work, Close Them

HONG KONG — China's senior leader, Deng Xiaoping, has said his country should push ahead with experimental stock markets and can close them if they prove to be a mistake, an official newspaper has reported.

"Securities, stock markets - whether they are good or not, risky

"Securities, stock markets — whether they are good or not, risky or not, exclusive to capitalism or not, remains to be seen," the Shenzhen Special Zone Daily quoted Mr. Deng as saying. "But we must try," he said, "to go further if they prove to be right in one to two years, or if wrong, just shut them down."

The newspaper devoted two pages in its Thursday edition, available Priday in Hong Kong, to extracts from speeches Mr. Deng made during a visit in late January to the Shenzhen special economic zone. Shenzhen is a showcase for Mr. Deng's free-market reforms.

A closure of stock markets "could be quick, slow or partial," Mr. Deng was quoted as saying. "My first principle is not to fear making mistakes and my second is to correct them soon after you find them."

mistakes and my second is to correct them soon after you find them. China's communists closed stock markets after taking power in 1949. An exchange reopened in Shanghai in 1990 and a second in Shenzhen in 1991. Both markets opened to foreigners last month.

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Compiled by Our Staff From Dispatches NEW YORK -U.S. stocks turncant weakness in the technology sec-

tor and by futures-related selling. The Dow Jones industrial average dropped 36.23 points, or 1.1 percent, to 3,231.44. The technol-strong as anticipated.

### N.Y. Stocks

ogy sell-off crushed the broad market, and the Nasdaq composite index shed 1.7 percent, to 604.67, its worst fall since Jan. 21,

Declines led advances by a 3-1 ratio on the New York Stock Exchange, where volume was a moderate 166.6 million shares, down from 177 million Wednesday.

"High-tech stocks are getting destroyed," said John Schraff, a vice president in equity trading at Daiwa Securities America.

Ralph Bloch, chief market analyst at Raymond James & Associates in St. Petersburg, Florida, blamed some of the market's fall on "window-dressing," the practice by moncy managers of trading equities at the end of each quarter to make their portfolios look attractive.

There were rumors that a large mutual fund group swapped stocks for Treasury debt, said Joseph Liro, economist at S.G. Warburg & Co. Other analysts cited shifts in money managers' asset allocations from

Treasury bond prices rose, and the 30-year issue closed at a yield of 7.94, down 6 basis points. "When you see a divergence be-

tween stocks and bonds, that usual-

ly signals some renewed concerns NEW YORK — U.S. stocks turn-bled Friday, pressured by signifi-Johnson at First Albany Co.

Analysts said investors were once again suspicious of an economic recovery amid signs that first-quarter earnings may not be as

In this vein, Household International's stock fell 9¼ to 46¾ after it said that first-quarter earnings would fall 40 percent to 50 percent below analysts' estimates.

"Household got the gears turn-ing," said Jim Schroder at MMS International, "People are asking, 'Are we going to be much worse off than we expected?"

Worries about the effect on earnings of greater competition were also a feature of the technology stocks' debacle. Leading it was Intel Corp., which declined 31/2 to 551/4 on concern about the plans of Cyrix, a private company in Dallas, to make microprocessor that competes

with lotel's 486 computer chip.

Traders also noted concerns about the possible impact of an intense marketing effort by International Business Machines Corp. to boost sales of a new version of an operating system — OS/2 version 2.0 — that will compete bead-on with Microsoft Corp.'s latest version of its Windows system. Microsoft slumped 34 to 1214.

Apple Computer fell 3 to 61 Digital Equipment lost 2% to 54%. A Smith Barney analyst, Shao Wang, slashed earnings estimates for DEC, traders said.

(Reuters, Bloomberg, UPI)

# **Dollar Ends Weaker Despite Strong Data**

NEW YORK - The dollar dropped more than 1.5 pfennig against the Deutsche mark on Friday, despite U.S. economic data that suggested growth in the first

The dollar ended in New York at 1.6405 DM, down from 1.6615 at

### Foreign Exchange

the close Thursday, and at 133.05 yen, down from 134.05 yen. The dollar's failure to hreak

"A lot of people are scratching their heads saying the dollar should be going higher on fundamentals." said Robert Ryan, a vice president of Bank of New York, "but it's not

The dollar peaked early in the day on news of a 1.1 percent rise in U.S. personal income in February. the biggest gain since a 1.3 percent jump in January 1989.

Personal spending rose 0.9 per-

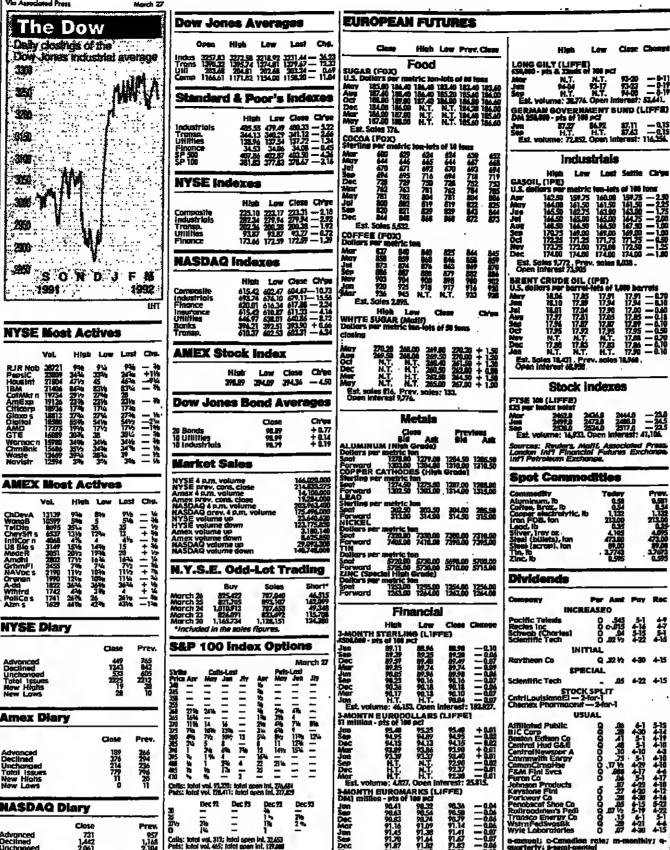
cent in February after a similar rise in January. The January figures were revised sharply higher from the previously reported 0.2 percent

But after an initial jump, the dollar slid. Traders said some speculative selling added pressure. The dollar ended at 1.4930 Swiss francs, down from 1.5153, and at

5.5670 French francs, down from 5.6300. The British pound ended at \$1.7432, up from \$1.7240.

Earlier, in Loodon, the dollar plummeted more than a pfennig, sweeping aside major support at 1.6445 DM. Traders said a dull session ex-

ploded into action when a specula-



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Goodyear Selling Polyester Unit

AKRON, Ohio (Bloomberg) — Goodyear Tire & Rubber Co. said.

Friday that it was selling its polyester operations to Shell Chemical Co., a division of Shell Oil Co., for undisclosed terms.

Goodyear said proceeds of the sale would be used to reduce its debt.

The company has said it expects to get \$450 million to \$500 million this the sale of posting units including its films and reduced. year from the sale of nontire units, including its films and polyester operations. Polyester resins are used in items such as food containers.

Milken to Testify Against Colleague

NEW YORK (Bloomberg) — Michael Milken, former head of Drexel Burnham Lambert's junk bond operations, will likely be a government witness against a former colleague, his lawyers said Friday.
In a letter to U.S. District Judge Kimba Wood, Mr. Milken's lawyers

said prosecutors indicated they may call Mr. Milken to testify at the criminal frand and conspiracy trial of Alan Rosenthal, a former head of the convertibles department at Drexel. The trial is scheduled for May. The lawyers, Arthur L. Liman, Stephen E. Kaniman and Richard Y. Sandler, requested Mr. Milken's 10-year sentence be reduced because he has cooperated with government investigators and federal courts. The Securities and Exchange Commission is conducting an investigation based on information Mr. Milken gave the government, the attorneys said.

### UGI Weighs New Bid for Petrolane

WASHINGTON (Bloomberg) — A unit of UGI Corp. on Friday canceled its \$122.5 million bid to acquire Petrolane Gas Service LP, one

of the two largest propane marketers in the United States. However, UGI's AmeriGas Inc. unit said it is still interested in acquiring Petrolane and is continuing discussions with its owners and creditors. Petrolane, acquired in August 1989 by Quantum Chemical Corp. and First Boston Corp. in a \$1.18 billion buyout, had a \$304.7 million loss in 1991 after taking a \$213.8 million writedown in goodwill.

### India Acts Against Carbide Ex-Chief

DANBURY, Connecticut (Renters) — Union Carbide Corp. rose to the defense of its former chairman, Warren Anderson, on Friday after an Indian court issued an extradition warrant seeking his arrest on criminal charges stemming from the Bhopal pesticide disaster in 1984.

"To persist in continued harassment of Anderson, who retired in 1986 and is now 70 years old, would send a signal to the world that the Indian

government is permitting those who favor local political expediency to dominate its policymaking," Union Carbide said.

### Air France Irked by Canadian Air

PARIS (Combined Dispatches) — Air France on Friday threatened to break ties with Canadian Airlines over a proposed Canadian accord with American Airlines

We're not eternally wed to Canadian." said an Air France source, "and it is not impossible the we would rethink this alliance." The alliance involves a block seating exchange.

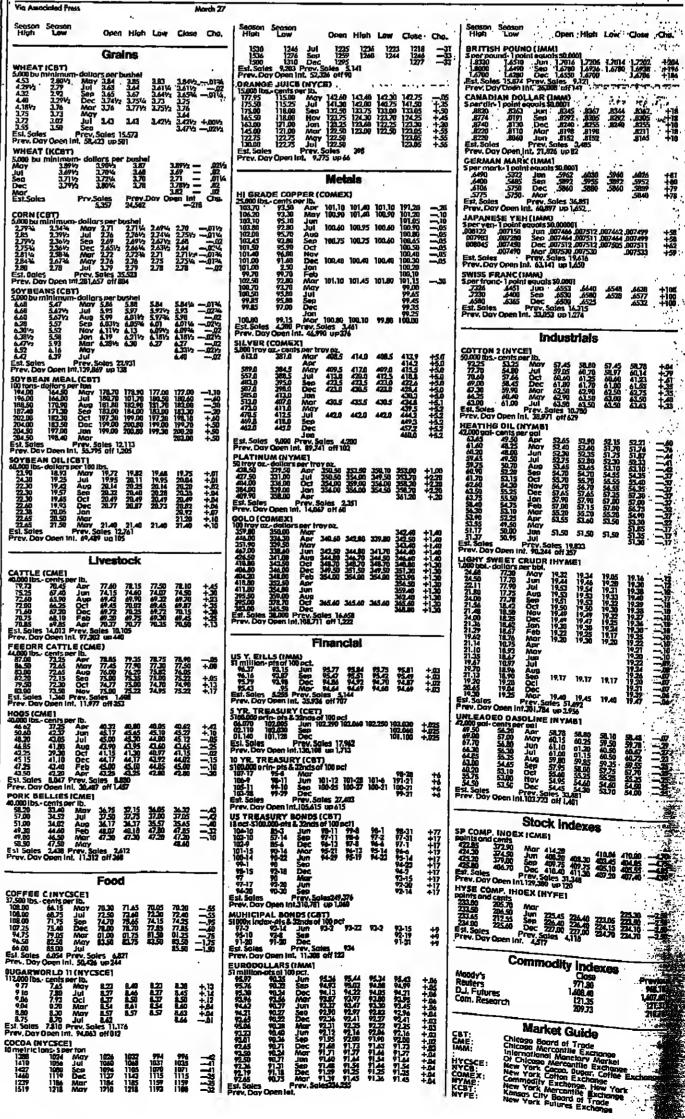
Air France would stand to be hurt by U.S. carriers' plans to increase U.S.-French summer traffic by more than 40 percent over 1991 levels, a demand that the French government is resisting. The two sides are to meet Monday and Tuesday in Washington to seek a solution. (AFP, Reuters)

### For the Record

General Motors Corp. said it would spend \$400 million to replace its commercial vehicle assembly plant in Mexico City, which is to be shut within five years because of tightening pollution restrictions. (Reuters) The United Auto Workers union said it was filing charges against Caterpillar Inc., alleging unfair labor practices in a labor dispute that has been going on since November.

Integrated Resources Inc., a financial conglomerate that has been in nearly constant reorganization for several years, said Frank Geller was named chairman and chief executive, replacing Stephen Weinroth, who (Bloomberg) was ousted by creditors.

### **U.S. FUTURES**



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Market Guide

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tor, rumored to be a Southeast Asian central bank, launched a barrage of selling.

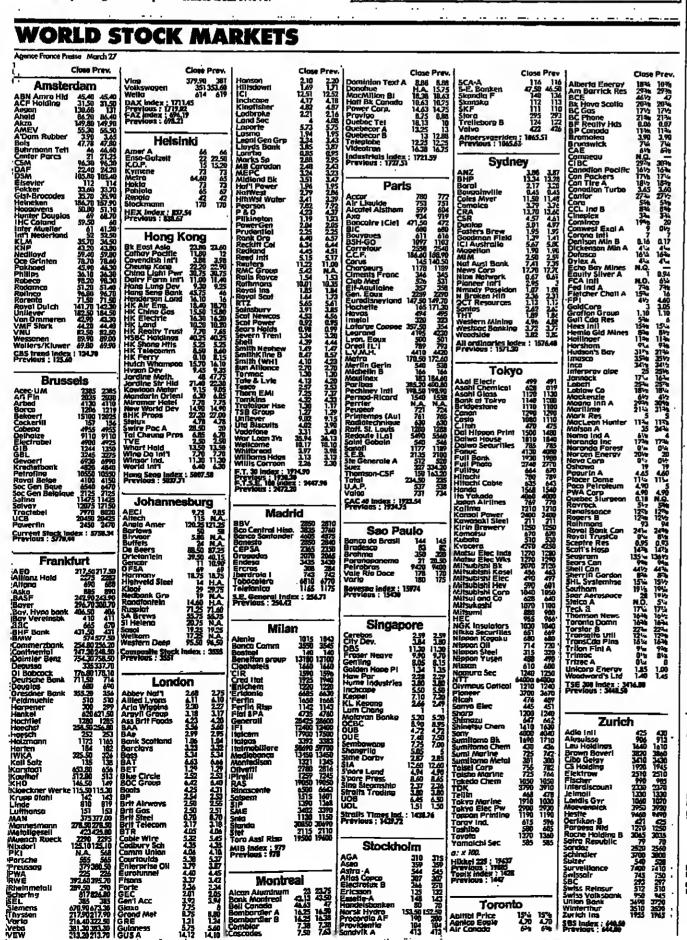
The dollar ended in London at 1.6440 DM, well under the Thursday close of 1,6570 DM, and at 133.00 yen, down from 133.75. The dollar fell to 1.4955 Swiss francs from 1.5162 and to 5.5710 French

# **O&Y Seeks Debt Relief**

NEW YORK — Olympia & York Developments Ltd, said it met Friday with some of its largest lenders, and asked that those who have leans before April 6 roll over those borrowings.

It said it asked lenders to attend a meeting April 6 to discuss a financing plan. O&Y is juggling debts of up to \$20 billion. At Friday's meeting were executives from such banks as Citicorp, Hongkong & Shanghai Banking Corp., Barclays PLC and Credit Suisse.

O&Y also said a private company of its chairman, Albert Reichmann, was buying its 65.6 percent stake in Camdev Corp., the successor to Campeau Corp., an O&Y investment that went sour.



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# elling Polyester Unit **Emphatically, Bundesbank Official** Rules Out a Rapid Rate Reduction

FRANKFURT - A senior official at the Bundesbank said Friday that there was no chance of a cut in German interest rates now because of high bank lending strong monetary growth and big budget deticits.

The discussion about rate cuts in Germany is thoroughly lacking foundation," said Johann Wilhelm

Gaddum, a Bundesbank board member, in a speech prepared for delivery to an investment symposium in Berlin. His comments were made available by the Bundesbank in Frankfurt.

Domestic credit growth and monetary expansion, spurred by the demand boom after German unification, were running at excessively high rates, Mr. Gad-dum said. The extent of "economic difficulties" in the aftermath of unification exceeded the Bundesbank's

own projections, he said. Mr. Gaddum's speech followed comments by other Bundesbank leaders this week on the need for a restrictive credit policy. Previously, many financial analysts had predicted the German central bank would be able

to cut rates by the third quarter of the year. Germany's policy of tight credit to squeeze out inflation has caused other EC countries to keep their rates high, exacerbating their attempts to pull out of recession or stagnation.

But Helmut Hesse, governor of the state central bank of Lower Saxony, said this week that the Bundes-bank would not let itself be pushed into a tradeoff

between economic growth and a stability-oriented policy, by either national or European politicians.

And the Bundesbank's vice president, Hans Tietment and the Bundesbank's vice president and the Bund meyer, said the current rate of monetary expansion meant there would not soon be a cut in German interest rates. The Bundesbank this week said M3 money stock rose an annualized 8.5 percent in February, compared with a fourth-quarter 1991 base. That followed a 9 percent increase in January. The 1992 target is for growth of between 3.5 and 5.5 percent. Inflation in Vestern Germany is expected to have topped 4.5 per-

cent this month, after 4.3 percent in February. When the Bundesbank raised the discount rate to 8 percent and the Lombard rate to 9.75 percent in December, the move was regarded as the last in the current economic cycle. To help the slowing German economy the Bundesbank's next monetary step would be to cut rates around the middle of the year, market

But analysts, citing several labor wage deals exceeding last year's 7 percent average, as well as money and price growth, now say chances for a cut in key German interest rates are receding. "There is no chance of a cut until shortly before the end of this year," said Josef Diermeier, senior bond dealer at BHF Bank AG.

Some even see the balance swinging towards another rise in official rates.

(Reuters, Bloomberg)

# Springer **To Cut 11%**

HAMBURG — Axel Springer Verlag AG, the German media giant that has been hit by falling profit, said Friday it would cut 11 percent of its work force over two years.

The company said the cut of 1,400 of the company's current 12,620 employees was part of a plan to reduce operating costs by lo percent. Some of the cuts will be by layoff and some by attrition.

Net profit at Springer, which controls the Bild Zeitung, Die Welt newspapers, broadcast stations and publishing houses, sank below 22 million Deutsche marks (\$13.2 million) in 1991, down from 65 million 'DM in 1990. The fall was attributed to competition and high start-up

costs in Eastern Germany. Last year, Springer closed several costly operations, including Claro, a tahloid in Spain, and Der utable loss for 1991 was 184 million Morgen, a Berlin-based newspaper. francs (\$32.8 million), reflecting a

### Paribas Pessimistic On Outlook for 1992

PARIS — Compagnie Finan- doubtful loans. cière de Paribas expects to make hefry loan-loss provisions this year profit in 1990. because of the poor economic outlook for companies in France and francs, to end at 385.20 francs. Britain, its chairman, André Levy-

Lang, said Friday. months of 1992 in France has not a 200 million franc loss for 1991. been good because demand is not there, investment is oot there and we don't see signs of a recovery," Mr. Levy-Lang said, "We are not expecting an improvement in risks in France in 1992 and can't exclude

a deterioration." The company also has been hit by the recession in Britain, particu-larly in real estate, where its subsidiary Compagnie Bancaire is active.

Mr. Levy-Lang was speaking at a oews conference, in which he pre-sented the company's results for 1991. The financial and industrial holding company's final oet attrib-

Compiled by Our Staff From Disputches surge in provisions for bad and

Paribas had a 2.54 billion franc

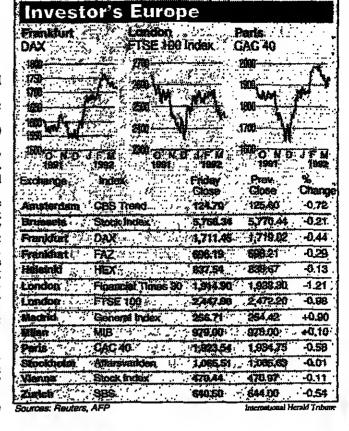
The final results for 1991 barely differed from provisional results an-"The trend in the first few nounced in January, which showed

After the provisional results were announced, a unit of the Standard & Poor's Corp. credit-rating agency put Paribas on its CreditWatch list of issuers whose ratings may change. Mr. Levy-Lang said it was possible Paribas ratings could be lowered, but, "We think that such a development would not have a marked oegative effect on our activity."

Paribas raised provisions last year to 9.5 billion francs from 5 billion francs in 1990.

In 1991, there was a special provision of 2.8 billion, most of which was for exposure to loans made by the Paribas Suisse unit.

(Reuters, Bloomberg)



### Benetton Profit Rose 24% in 1991

MILAN — Benetton Group SpA said Friday that consolidated net profit for 1991 rose 23.6 percent, to 164.8 billion lire (\$132 million). Revenue at Benetton, known for its colorful clothes and controversial advertising campaigns, climbed 12 percent to more than 2.3 trillion lire.

The company, which is 80 percent owned by the Benetton family, raised its dividend to 300 lire per share from 250 in 1990.

A recent ad campaign, giving prominence to a photograph of a dying AIDS patient, touched off a furor on both sides of the Atlantic. Several countries banned the ads.

### BORDERS: Hard to Tear Down

Germany are unlikely to survive an

expansion of European stock trading without closer scrutiny.

Of high importance but less difficulty are arranging clearance and settlement procedures across bor-ders and harmonizing accounting standards. Of lesser importance are the complex problems of international deposit insurance, adequate capital for banks, and the politics of hringing down barriers separating banks, insurance companies and securities houses that have long been protected by national laws, nowhere more than in the

And finally come technical probnizing stock exchanges to allow graphical barriers, but whether it from some Western helicopters, de-catific & Technology Co., the Rus-Commonwealth of Independent products such as options and fu- risks of inevitable change.

United States.

(Continued from first finance page) tures, protecting personal and pri-

vate data, and preventing money laundering.

Mr. O'Brien is by oo means sure that the political will and skill exist

to accomplish all this. What he does not address is whether the natural forces of the market are preferable to the stability of a system of rules that main-

tain currency values.

He conceded that "controlled systems that have oot innovated have also shown the strongest ecooomic performance," such as postwar Bretton Woods agreements. But he argues it is impossible to stuff the technology that makes such systems obsolete back into the bottle, and the only question is oot lems that must be resolved if the whether the world financial system financial map is redrawn: reorga- continues to tear down its geo-

Cost may also be a factor. Mr. Lloyd refused to disclose specific prices, but he said the leases were "price-competitive, though not dumping prices." But Western analysts and operators of Western heavy-lift helicopters complain that the Russian aircraft are being offered abroad at artificially low

material to and from field opera-

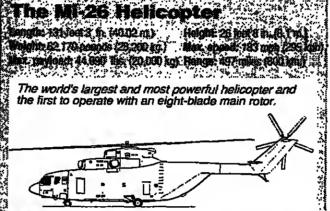
tions, Mr. Lloyd said.

"It's basically the same thing as dumping U.S. military aircraft on the market," said Roy Simmons, executive vice president of Columbia Helicopters Inc. of Aurora, Oregon, "only these aircraft are subsi-dized by a foreign government,"

Western pilots who have flown the twin-engine KA-32 praise its dual coaxial main rotor, which provides stability when hovering or lifting loads oo an external line. Conventional helicopters have a single main rotor and oormally oeed a smaller rotor on the tail to prevent them from spinning.

The Mi-26 can carry up to 20,400 hold, or 18,000 kilograms externally. The KA-32 can carry an undershing load of nearly 5,000 kilograms at sea level or an internal load of 4,000 kilograms.

The KA-32s face competition



COPTERS: Russian Heavy-Lift Aircraft Find Niche in Asia and West

Source: Jame's All the World's Aircraft International Heroid Tribuna

The nearest competitor to the KA-32, foreign interest in its prod-Mi-26 is the Sikorsky CH-53E Suucts is vital for survival. per Stallioo, made by a divisioo of United Technologies Corp., which can carry an internal payload of about 13,600 kilograms or an external load of 14,500.

Several KA-32s are on lease to kilograms (44,090 pounds) in its Western companies, such as Heliswiss AG of Switzerland, and Vanconver Island Helicopters of Sidoey, British Columbia, which use them for logging and construction

pending on the task, analysts said. sian state-owned designer of the States armed forces and govern- the project."

Uotil recently, most of the helicopters designed and developed by Kamov, which has almost 4,000 employees at its Lubertsy plant oo the outskirts of Moscow, were made for the Soviet Navy and cargo ships of the state-owned merchant marine.

In a recent interview at an international air show in Singapore, Sergei V. Mikheyev, the general de-

cally stopped" ordering helicopters from the company.

He would not give current or

past production figures.

But Mr. Mikheyev said that use of the KA-32 for logging and oil exploration was "a very good example" of how a successful path could be found for converting the military sector of the Soviet aero-

space industry to civilian use Executives of Western aerospace companies said that Russian design bureaus, such as Kamov, are short of capital and need joint ventures with Western firms to gain hard currency, consumer acceptance and airworthiness certification in

foreign countries. Kamov has signed agreements with Rolls-Royce PLC of Britain and Allison Gas Turbine, a division of General Motors Corp. of the United States, to buy engines for two oew helicopters it is developing for export as well as for sale in the

former Soviet republics.
François David, corporate vice president for international affairs of Aerospatiale, the French aerospace giant, said the company was considering forming a joint venture with Kamoy to design and mano-

facture helicopters, He said, however, that while Aerospatiale wanted to proceed, Kamov was short of money and "wants us to finance their half of

### Very briefly:

• Petrofina SA, the Belgian oil giant, delayed the release of its 1991 earnings statement until next week because auditors had not finished reviewing its accounts; the statement had been due out Friday.

• Portugal will ask the European Community for 100,000 tons of cheap grain to feed its starving livestock, after a drought ravaged its winter grain crop, an agriculture ministry official said.

• KLM Royal Dutch Airlines NV said talks on cooperatioo with the Hungarian airline Maley were at an exploratory stage, denying a local

press report that the Dutch airline would bid for a stake in Maley. • The Denmark Energy Agency raised its estimate of Danish oil reserves by 22 percent and of natural gas reserves by 17 percent as a result of recent oew finds and improved production techniques.

• European Community governments have agreed to make anti-dumping duties on imports of polyester yarn from Turkey, Taiwan, Indonesia, India and China permanent, EC officials said.

• The Association Tripartite Bourse said proposals for an electronic securities dealing system to replace Switzerland's open outcry trading have been completed and will be submitted to the Swiss stock exchanges.

· Swedish gross national product will post oo growth this year and will grow only 0.8 percent in 1993, KL, a state-sponsored think tank, forecast. • Euromobiliare SpA reported a 1991 consolidated net loss of 976 millioo lire (\$782,000), compared with a net profit of 9.5 billioo lire a year earlier.

### Iberia's Loss Grows to \$490 Million

MADRID - Spain's state-owned airline, Iberia, exacerbated its unpro-

fitability in 1991, recording group pretax loss of 51.32 billion pesetas (\$490.7 million), the chairman of the company that owns it said Friday. Javier Salas, chairman of Instituto Nacional de Industria, said the carrier, whose full name is Iberia Lineas Aereas de España SA, was hit hard early in 1991 by plunging air traffic due to the Gulf War. He also said that Spain's comparatively steep inflation rate and the peseta's strength against foreign currencies pushed operating costs sharply higher. The Iberia group, which includes Chile's Ladeco and Venezolana Internacional de Aviación (Viasa), had a 26,11 billion peseta loss in 1990.

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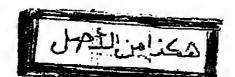
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# Seoul Opens Stock Market

# Unexpected End to Curbs on Foreigners Compiled by Our Stoff From Dispetcher The market liberalization measures we

SEOUL — Seeking to boost its flagging equity market and surprising its imancial industry, South Korea said Friday it would remove all restrictions on foreign investment in stocks in July.

Analysts said the liberalization was unlikely to spur a stampede to the market, which foreign investors view as small and immature. The market has lost about 35 percent of its value since September 1989. On Friday, the Korean composite stock index

rose 5.68 points, or almost 1 percent, to 617.38. The changes would allow foreigners to own 100 percent of Korean companies. Currently, foreigners can own no more than a total 10 percent of any company and individual investors are limited to 3

percent stakes in any corporation. In January, the ministry said foreign investors could for the first time take direct, but limited, stakes in Korean companies. Prior to that, foreign investors had to use such investment vehicles as the Korea Fund, a mutual fund set up by the govern-ment. The reaction to the partial lifting of restrictions in January generated less foreign investment

The market liberalization measures were more radical than the initial agreement between South Korea and the United States at a bilateral financial talks in Washington earlier this month. Seoul said at the time it agreed to expand the ceiling on individual stakes to 5 percent from 3 percent.

Securities firms and banks expressed shock at the measures, published in local newspapers Friday.

"This is well beyond our expectation," said Huh Ui Do, a market analyst with Daewoo Securities Co. "We're concerned about the possibility that foreigners might take over management rights of many local firms."

A possible benefit from the liberalization, analysts said, would be that inflows of foreign capital would pull down South Korea's high interest rates and lower the financial costs of local companies.

The measures announced Friday also included a lengthening of the maturities of certificates of deposit and call loans issued by foreign banks. their main tools for raising South Korean won to conduct business here. (Bloomberg, AFP)

## **Motorola to Build Factory in China**

HONG KONG — Motorola Inc. is planning to build a \$120 million factory in northern China to produce computer chips, cellular phones and other products, it was disclosed Friday.

Pancy Wu, a Motorola spokeswoman in Hong Kong, said Motorola (China) Electronics Ltd. would be a thofly owned subsidiary. The plant will be built on a 25-acre (10-hectare) plot in the economic and technical development area of the northern port of Tianjin.

The factory is the latest in a series of investments in China by foreign companies. Foreign investment jumped 76.9 percent in the first 10 months of last year, to \$4.96 billion, and is expected to rise this year.
The official China Daily reported Friday that Chi-

na's State Council, the cabinet, had approved the factory earlier this week.

Mrs. Wn said the factory would make electronic components and equipment, including semiconductors, radio paging systems, cellular phones and computer soft-ware. She said they would be sold locally and abroad. Although the China Daily said most of the products would be exported, U.S. companies investing in China

are increasingly hoping to develop the China market. "This is a completely different concept compared to our other operations in Asia," Mrs. Wu said. "Our factories in Scoul, Manila and other places specialize in producing one line of business, such as semiconductors. The Tianjin one will be integrated and produce a

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# Apple Joins Hongkong Bank Parent Sharp in Has Dual-Listing Deal

Compiled by Our Staff From Dispatches

Venture NEW YORK - Apple Computer Inc. and Sharp Corp. of Japan confirmed Friday that they had entered into a long-term partnership to develop a new generation of per-

sonal-information devices. The companies plan to merge Apple's computer software and hardware expertise with Sharp's experience in making small electronic devices that display information on liquid-crystal screens.

John Sculley, Apple's chairman and thief executive, outlined in: January a vision for creating "per-sonal digital assistants." These pocket-sized electronic devices would combine the functions of today's personal computers with those of tiny consumer electronics

devices such as pocket organizers. If the devices were hooked up to a wireless communications system, they could allow link-ups with news reports, stock prices and other information available from com-puter databases. They also could take the place of portable phones.

Sharp, which was a pioneer in pocket-size electronic organizers with its Wizard product, also is the leading maker of advanced flat TV screens, called active matrix.

Apple already has a relationship-with Sony Corp., another Japanese consumer electronies giant. Sony is making one of the three models of Apple's new PowerBook line of notebook-size portable computers. But Mr. Sculley has said several times he was looking for another Japanese partner,

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posed to be Year One of our service era, but unfortunately the effects

of this haven't been seen," he said. While hardware sales fell in 1991,

Low & P.M. Chip

HONG KONG - HSBC Holdings PLC, the holding company for Hongkong & Shanghai Banking Corp. said it had reached an agreement with the Hong Kong and London stock exchanges that would allow it to have primary listings on both bourses.

HSBC said the dual primary listing plan would go ahead after it launches a formal bid for Midland Bank PLC of Britain, HSBC announced on March 17 plans for a friendly takeover of Midland, in which it already has a 14.6 percent stake, but no formal offer has been

If there were any conflict between British and Hong Kong listing rules, the stricter would apply. HSBC currently has its primary listing in Hong Kong and a second-

ary listing in London. Analysts said they knew of no other company that had two prima-

software revenue showed strong growth.

ry listings, but they said the idea sounded workable.

"It's largely neutral," said Stella Fung, a banking analyst at Citicorp Vickers, "but it serves to remove some uncertainty" over whether HSBC "will delist locally and move to London after the merger."

One source said a primary listing in London could enable HSBC to raise funds for the takeover as well as help it move its primary business

Details of what HSBC is contemlating are scarce, and there has been much speculation that the holding company, whose top executives are nearly all British, would leave Hong Kong before the colony returned to Chinese rule in 1997.

HSBC shifted its legal domicile to London last year, but its chairman, William Purves said Thursday that it would continue to operate in Hong Kong indefinitely and that the move was commercial and not polit-(Reiters, Bloomberg, AFP)

### IBM Japan's Profit Flags Very briefly:

= Tokyo stocks hit a five-year low, with the 225-share Nikkei average falling 248.50 points, to 19,636.99, as traders sold shares of companies TOKYO — A flagging mainframe computer market and price competition combined to slash IBM Japan Ltd.'s current profit by whose profits are expected to plunge in the financial year ending

32.9 percent in 1991, the company's president said Friday.

International Business Machines Corp.'s Japan unit said current profit, essentially pretax income, was 103.52 billion yen (\$775.7 million), down from 154.38 billion yen in 1990. Net profit fell 31.8 percent, to 65.5 billion yen. Sales fell 4.5 percent, to 1.27 trillion yen.

Takes Shilms the mail's percent of the profit fell 31.8 percent, to 65.5 billion yen. Sales fell 4.5 percent, to 1.27 trillion yen.

• The Adelaide News, Australia's last afternoon daily and the news used by Rupert Murdoch to start building his News Corp., closed after several years of losses; Mr. Murdoch had sold the paper in 1987. Takeo Shima, the unit's president, said the problem was not products, but slowness in meeting customer needs. "1991 was sup-

Investor's Asia

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Composite Stock

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· Nissho Iwai Corp. is to open an office in Phnom Penh next week to oversee an offshore oil project, becoming the first major Japanese trading company to return to Cambodia, a company spokesman said.

 Nissan Motor Co.'s president, Yutaka Kume, 70, will become chairman and relinquish his current post to Yoshifumi Tsuji, 64, a former produc-

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# Conservative Triumph?

OR those who find conventional investment analysis, with its econometric projections and earnings and cash-flow comparison, a little dry and technical by itself, relief is at hand. The election season is on.

Britons, appropriately enough, go to the polls first, in less than two weeks. The people who unleashed a free-market revolution across the West, and arguably even in East-ern Europe, by electing Margaret Thatcher's Conservatives 13 years ago now have a chance to steer a new course of change for U.S. and European voters to follow this year

and next. And indeed, change is looking more and more likely. Despite Conservative warnings that Labor remains the party of high taxes, low growth and socialist economic meddling, the opposition has maintained a consistent lead in the opinion polls. What's interesting from an investor's perspective, the London stock market has held fairly steady despite Labor's lead.

Certainly Labor, like most leftist parties in the West, has moderated its economic views over the past decade. But a more intriguing explanation for the market's equanimity, endorsed by Prudential Corp. this week, is that it doesn't much matter who wins. With the pound tied to Continental currencies and the budget deficit already soaring because of the recession, whoever wins on April 9 will have little leeway to change monetary or fiscal policies. Any policy tinkering should be more than outpreighed by a cyclical economic recovery - read "market forces" - which

Prudential sees lifting stocks, There's an element of talking up the book here. As Britain's biggest institutional investor, the Pru's fortunes are closely tied to the health of the stock market. The insurer also can't afford to alienate a potential new government, or customers who vote Labor.

Still, the theory fits with a growing disconfent among many electorates over long-ruling governments and their inability to bring a quick end to recession. It may also help explain why voters appear equally disillusioned with opponents ranging from the mainstream conservative parties in France to Bill Clinton in the United States. Why bother if nothing will change?
Perhaps Britain's Tories, who promised to

limit government's role and increase the market's, will find victory even in defeat.

# FIRST COLUMN Bets Are Going Down The Ultimate In China's New Casino

By Laurence Zuckerman

VER since Deng Xiaoping's liberalizations began to revive the Chinese economy a decade ago, direct investment in China has been the Holy Grail of Asian money managers.

Attempts have been made to satisfy the demand through funds investing in Hong Kong and Taiwan companies with substantial interests on the mainland, or through a few joint-venture entitle partnerships that often had troube ending increative projects to invest in America who mandate to realize the state of the state o to invest in. Anyone who wanted to make a direct investment in China had precious little to choose from.

In coming months, however, international investors will be deluged with a variety of new funds offering the opportunity to buy directly into China's booming economy, which in some areas, such as Guangdong Province bordering Hong Kong, is experi-encing annual industrial growth rates of more than 25 percent.

The reason for the change, of course, is the opening to foreign investors of China's two fledgling stock exchanges in Shanghai and the special economic zone of Shenzhen, bor-dering Hong Kong. Although shares on both exchanges have been available to Chinese nationals for months, it was only in February that the first "B" shares, which are re-

served for foreigners, were listed.
Since then, Hong Kong has been overtaken with B-share fever. The latest stock to hit the market on Friday and immediately soared to more than double its offering price. Shenzhen Konka Electronic (Holdings) Ltd.'s B shares closed at 8.60 yuan (\$1.43), compared with an offering price of 3.90 yuan. Volume totaled 102,000 shares.

The whole issue of China is something we have been all chasing for a long time," said Peter Everington, a director at Thornton Management (Asia) Ltd.

Most Hong Kong-based analysts and international fund managers are extremely bullish about the near- and long-term promise of China's share market. At the same time, however, they say the road in between will be full of dangerous curves and a few steep ups and downs.

When you are dealing with an emerging market like this, the greater fool theory applies in a big-way," Mr. Everington said.

Only three companies — two in Shenzhen and one in Shanghai — currently have B shares trading and none have met the regulatory requirements to allow their prospectuses to be registered in Hong Kong. Therefore, it is illegal to promote the sale of the shares in the colony.

Several of the proposed funds are hoping

to be listed on the Stock Exchange of Hong Kong, but the colony's Securities and Fu-tures Commission has not decided whether to authorize them. The commission's soonto-be-departing chairman, Robert Owen, said on Friday that the Chinese companies need to provide more information so investors know what they are buying.

The lack of authorization, however, does not stop fund managers from listing and selling their funds outside Hong Kong.

GT Management (Asia) Ltd., a subsidiary of the London-based GT Group, was the first out of the starting blocks with its \$40 million GT Shenzhen & China Fund. The fund, whose offering period closed Thursday, has been oversubscribed for weeks, GT said. It will be open-ended, but redemption is frozen for the first six months and then can be made only once a week, on five days' notice. The minimum investment is \$10,000.

GT will soon be followed by Barclay's China PRC Fund, managed by Barclays de Zoete Wedd Investment Management. The Jersey-based fund also bopes to attract \$40 million. It promises a lower minimum invest-ment than GT's fund and will be daily priced

with no initial moratorium on redemptions. In addition, funds in various incarnations are being pursued by Morgan Grenfall, Banque Indosuez and Thornton Management.

The rush has raised concerns that a tidal wave of money will overwhelm the two mar-kets. "The problem is too much money chasing too few stocks," said Edward Chan, a director at Chin Tung Research International Ltd., an Asian brokerage owned by Standard Chartered Bank.

The B shares of at least four companies have been placed with international investors and are waiting to be listed on the Shenzhen exchange. Analysts estimate per-haps a total of 20 different B shares will be available in Shenzhen by the end of the year with 10 more trading in Shanghai.
With so few listed companies available

and a lot of competitors eager to buy them, few fund managers will be able to afford to be choosy. Oscar Wong, manager of the GT fund, freely admitted that "at the beginning we will have to close our eyes and just buy."

Most analysts said that is not necessarily a bad strategy given that early demand is so high and shares like Shenzhen Konka Electronic's are soaring when they hit the market.

Even so, the dearth of shares will leave the funds with a lot of cash on their hands, at least in their early days. The GT Shenzhen fund, following the rules set down for all Hong Kong-based unit trusts, can put no more than 10 percent of its funds into any

So what will GT do with the money while



Simulzhen China

The fund's country adviser is Shum Yip Investment & Development Co., the Shenzhen municipal government's representative in Hong Kong and one of 15 authorized brokers on the Shenzhen exchange. A prospectus for the fund prepared by Crédit Lyonnais Securities promises that Shum Yip "will enhance GT Shenzhen's ability to access the difficult to acquire B shape at pri-7557 52.8 MA 7.1 (10.64) (55.7) (20) (6.73) Bicycles Co. Captulization exclusive "A" aberes offered to Chines

ources: ChinTung Research International, Crédit Lyonnais Securities the border are not very familiar, though I'm sure they will be before too long," said William Phillips, managing director of Baring Securities, which is teaming up with Morgan Grenfell and CEF Capital to market a B

share fund to institutional investors.

Still, analysis such as Mr. Chan at Chin-Tung Research point out that the companies that have gone public are among China's best. They include banking and property companies as well as industrial enterprises and diversified miniconglomerates. Listings on the Shanghai exchange, such as Shanghai Vacuum Electron Device Co., the exchange's lone B share, tend to be state-owned and produce for the domestic market, Shenzhen

listings, on the other hand, include several foreign joint ventures that target both domestic and export markets. Shenzhen China Bicycles Co. (Holdings), which claims to be the world's biggest bicycle maker and will be listed in Shenzhen soon, is 24 percent owned by Schwinn Bicycles Co.

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But antil more shares are listed, many fund, managers who have seen other emerging markets take off with enthusiasm and then collapse are taking a wait-and-see approach.

Richard Wastcoat, director of Fidelity In-vestments Management (Hong Kong) Ltd. said: "It's going to be a casino in the early days. It will fly high with initial enthusiasm and then it will crash just like Indonesia."

## Closed-End Funds: Accounting for the Discount

By Conrad de Aenlle

can register early gains. It has also tried to

assure access to newly listed shares by lining

cess the difficult-to-acquire B shares at pri-

Analysis say playing on connections is a necessary element in doing business in China, but it also involves risks: Should the fortunes of your ally suddenly fall, those of

Further uncertainty is added by the lack

of adequate government regulation and investor protection. China has no national

company law, and local regulations in

Shanghai and Shenzhen are currently being

"Accounting, depreciation, profits, These are concepts with which our friends across

up an influential partner.

your fund may as well.

drafted and redrafted.

LOSED-END funds appear to be a chronically unloved — or at least underloved -sort of security. These funds, which invest in equities or bonds and in turn have their shares listed on stock exchanges, usually trade at a discount to the value of the assets they hold.

The component issues in one Funds newsletter and publisher of popular index of U.S. equity funds, the average that bears his name, the Herzfeld Closed-End Fund Ay- said a major reason has to do with erage, traded at an average dis-marketing: Brokers are a lot more That's the smallest discount since the average was created in December 1987. Funds in the index have exchange. Rates for underwriting spent much of that time trading at an offering, he explained, can be double-digit discounts, and have five times those of standard brokernever traded at an average premium to asset value.

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vestment trusts, as closed-end funds are called there, is around 14 percent, according to the Association of Investment Trust Companies, a trade organization.

Why do investors balk at paying full price for closed-end funds?

Thomas Herzfeld, editor of the Investor's Guide to Closed-End Funds newsletter and publisher of after the funds start trading on an age transactions.

Why the historically low dis-

Big discounts are routine in Brit-ain. The average discount on in-cxplained partly as a spillover from vestment trusts are likely to carry a the stock market's strength. British institutional investors

have largely forsaken closed-end funds, preferring to do their own stock picking rather than leave it to someone else. The exodus from investment trusts is one of the factors behind the wide discounts there. "Most institutions have devel-

oped their own expertise to deal with their investing," said Mark Jeffries, executive director of Cred- stays the same, but the fund must it Lyonnais Laing Securities in pay tax on that gain.

London and head of its investment With country funds, which make trust department. "They tend to be net sellers because they're investing in Japan or America or wherever on their own.

The institutions that still do buy shares in investment trusts want to get something more for their moncy than a fair deal.

Institutional investors will only invest if they can get their assets at a discount," said Peter Apel, assistant manager of the F&V International Fund in Berlin, a fund marketed in Germany that invests in closed-end funds. As for the reasons the institutions may be able to find such bar-gains, he said, "There is also the nanagement fee, but this does not

It does explain some of it, though. The expenses of running closed-end funds, especially those that invest in some of the more esoteric country or regional funds.

Another factor Mr. Herzfeld cited is poor liquidity, either of the funds or the securities they hold. Mr. Apel said the instruments a

vestment trusts are likely to carry a discount of 10 percent, he said. while venture capital trusts can have discounts of up to 50 percent because "the market is very suspicious of the valuation methods of the managers.

Latent tax liability also can come - into play. Let's say a fund with a net asset value of \$10 a share sells a portion of its portfolio and realizes a gain of \$2 a share. The asset value

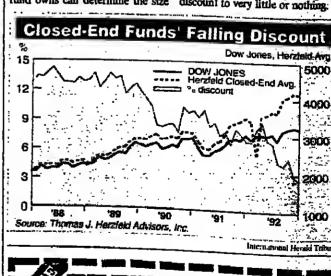
ty funds in the United States, the is faith in the currency to consider. And with funds in the Third World, it becomes a matter of faith in the

What about arbitrage? Can't someone buy shares in a deeply discounted fund, then sell stocks and lock in a profit? That's what I do for a living,"

Mr. Herzfeld answered. But it's not

an easy living.
"Let's say I own a fund that trades at a 5 percent discount and 1 short the underlying portfolio or huy puts" in the Standard & Poor's 500 index, he suggested. "There's nothing to keep the discount from

cpanding." Mr. Jeffries at Credit Lyönnais Laing said closed-end fund arhitrage had to be done very gingerly. especially with an illiquid fund. The buying of fund shares could push shares held in the portfolio coul



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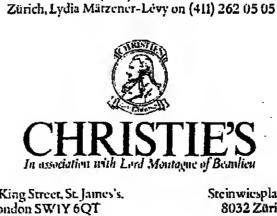
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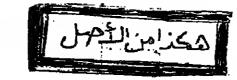
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### THE MONEY REPORT

# Japan's Slump: Not So Serious? Pretty Serious?

### Outlook

Selected experts in economics and investment give their opinions, month by month, of the outlook for the world's major economies. currencies and financial markets.



Hirohiko Okumura, chief economist, Nomura Research Institute, Tokyo

The outlook for the Japanese economy typically envisioned by the people working in the financial districts of London and New York would have to be termed very distorted. In Japan, the years 1986 through 1989 were characterized by the "money economy," when distortions in the interest-rate structure caused a jump in land and stock prices. Beginning in 1990, the prices of these assets plunged because of the oght credit policy deployed by the Bank of Japan.

Some emerging small companies that engaged in unwise speculation have gone bankrupt, and financial institutions that made loans to them have become em-

### 'Japan still has great margin for stimulative measures.

broiled in money scandals. However, it is crucial to recognize that, when placed in the overall context of the Japanese economy, such phenomena are clearly local and have had little impact on the soundness and solid international competitiveness of the real economy.

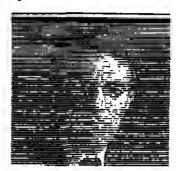
Having built a surplus in the balance of payments equivalent to \$520 billion from 1983 to 1991, Japan is oow the world's biggest creditor natioo. And with a corresponding deficit of \$880 billion over the same period, the United States has become the world's biggest debtor nation.

With a proper understanding of the existence of this financial gap of \$1.4 trillion between Japan and the United States, it can be appreciated that Japan still has great margin for stimulative measures in both monetary and fiscal policy. In fact, the monetary authorities have cut interest rates significantly in recent months, and a reduction of another 0.5 percentage point in short-term interest rates is likely within a month. In the fiscal arena as well, government is taking steps to expand public investment. As it takes about six months

should bottom out and start heading upward around the middle of this year. We also expect stock prices and exchange rates to bottom out sometime between April and June and to begin climbing sometime between July and September. By the end of the year, we anticipate that the dollar will approach

for policy revisions to have an effect on

economic activity, the Japanese economy



Gerald Holtham, chief international economist, Lehman Brothers, London

It has been conventional wisdom for some time that Japan was going to have a Japanese recession — in other words, GNP growth would fall below 3 percent a year in 1992. But now, in my view, there's a good chance that a real Western-style recession will occur. In which case you can make

'There's a good chance of a real Western-style recession' in Japan.

money over the next three to six months by betting that Japanese interest rates and the yen are both going to fall further. The foreseeable reason for the slowdown was the inevitable downswing in business fixed investment.

The key to the outlook is the Japanese consumer, who is widely expected to keep spending just enough to buffer the economy until higher government spending comes in later this year. But in fact, the consumer too is going to disappoint owing to the falling wealth of Japanese house-

holds.
That means Japan is heading for a significant recession and the Bank of Japan will have to take short-term interest rates much lower. Three-month interest rates are currently around 5 percent and the futures market expects a fall to near 4.5 percent by June, but 4 percent or less is quite possible. That will take 10-year bond yields closer to 5 percent, well below the 5.5 percent expected by the fotures market. As it could well be above 140 to the dollar by then, a put option to sell the yen could be a good investment at this point.



Miron Mushkat, research director Baring Securities (Hong Kong)

Although the attention of international investors has centered recently on the woes of Asia'a largest stock market, one regional market — Hong Kong — has climbed relentlessly and, in the absence of unexpected shocks, should continue to shine in the months ahead.

Hong Kong has the advantage of being in the right phase of the economic cycle. The

'Hong Kong is in the right phase of the economic cycle."

economy, which effectively ground to a halt in the wake of Beijing's massacre of pro-democracy demonstrators in 1989, is gath-ering momentum in response to the im-

provement in the economic climate in China and the rapid expansion in its foreign trade. And because Hong Kong's currency is linked to the U.S. dollar, the colony is enjoying low interest rates (they are negative in real terms) — a pattern that is not likely to be reversed in the near future.

Hong Kong equity prices have largely discounted the favorable developments on the corporate/economic/political front. But the market is not overly expensive in terms of price/earnings ratios or dividend



Nigel Cuming, senior investment manager, ANZ Grindlays Bank, Jersey

Over the last few months, the U.S. economy has shown some signs of a recovery. Although the stock market has moved to partially discount this, we would commit

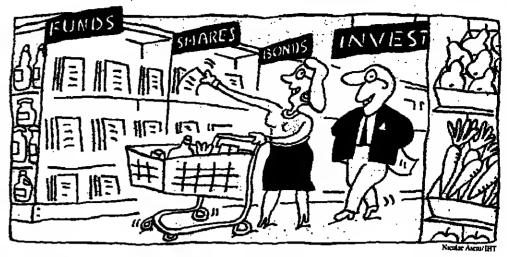
### There is scope for **European interest rates** to decline in 1992.'

45 percent of an aggressive growth portfo-lio to Wall Street, feeling that the recovery in earnings will allow the market to move

The markets of Continental Europe are selectively attractive. There is scope for European interest rates to decline in 1992 and although there may be occasional bouts of nervousness, no doubt triggered by developments in the former Soviet Union, there is tremendous scope in the post-1992 unified market. Fifteen percent of funds are allocated here.

Japan cannot be ignored, although shortterm problems tempt one to do so. For now, we would give an initial 10 percent weighting to Japan, with part of the funds dedicated to smaller companies. A further 5 per-cent would remain in cash until there is evidence that the Tokyo market has turned,

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# **Stocks Atop the Grocery Cart**

By Philip Crawford

THE recent launch of B "customers only" invest-ment fund by the Dutch food retailer Ahold NV appears to be the latest innovation in a global trend: the marketing of investment vehicles to the mainstream consumer, rather than just the upscale.

Although strategies vary -- equities are sold by door-to-door salesmen in Japan, for example, while in Britain and the United States, two store chains hawk mutual funds along with ladies' sportswear — the aim is to bring as many customers as possible into the investment fray. Not to mention winning more clients and commissions for brokers, and giving retailers an extra attrac-

tion to draw consumers in the door. "There are certainly more people investing now than there were 10, or even five years ago," said a spokesman for Dean Witter Reynolds, the brokerage unit of Sears, offices in Sears stores in the early 1980s. "That's primarily attributable to a couple of things: the availability of investment products in everyday commercial milieus and the growing financial sophisticaoon of the general public. I think today's first-time investors know what they're getting into."

Ahold opened the Dutch Customer Fund to patrons of its Albert Heijo supermarket chaio five weeks ago,

The conditions are certainly oot unfavorable to the retailer: The

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

oumber of shares people can buy is kicked off in 1988, is composed of tied to the oumber of Heijn savings 85 percent global equities and 15 stamps they purchase, which in turn is a function of the size of their grocery bill. What's more, 50 permade up entirely of British equices, cent of the fund will be used to was offered the following year. purchase Ahold shares, with the balance borrowed by the company at the current bank rate of 9.25

end load of 1 percent. The company says stamp sales have risen by 7 percent since the fund's inception and that customer

percent. The fund carries B back-

reaction has been gushy. "Some of our customers are making the first investment of their lives," said Hans Gobes, a senior vice president at Ahold. "And we know we've struck a chord because of the response from shoppers and from other businesses which have

contacted us to learn about it." Roel Gooskens, an analyst at James Capel & Co. in Amsterdam, called the concept "totally new."

"On one hand it could bring them a lot of new business," he ly, they could lose customers. Sears, Roebuck subsidiaries

Dean Witter, Allstate Insurance Co. and Coldwell Banker Real Estate Group Inc. operate small bureaus inside Sears stores, Gordon Jones, a Sears spokesman, said the five-year-old Sears Financial Network had brought in new customers and generated new business from existing ones.

In Britain, Marks & Spencer M & S Investment Portfolio, do that.

"We've found that about balf our charge card holders have also invested in one of the funds," said Brian Hudspith, B spokesman.

Skeptics abound on the effort to link financial services with mass retailing, though, K mart Corp., a rival of Sears, tried to offer similar financial services to customers but gave up in 1989 because of insufficient response. M & G Group PLC, the British fund group, reject-ed the idea of marketing through a mail-order retailer several years ago and hasn't been tempted to rethink its strategy by Marks & Spencer's effort. "Knickers and unit trusts don't quite mix," said Roger Jennings, the group's mar-

keting manager. In Japan, brokers have been using door-to-door salespeople to pedule stocks for years. Tokyo analysts speculate that the practice may be on the rise. Why? Because few potential investors these days have a mind to patronize the Japanese securities industry - riddled with scandal and reeling from the Tokyo market's sharp fall -- with-

out some vigorous prompting. "The strategy is to get the individual investor back into the market," said Robert Zielinski, an analyst at Jardine Fleming Securides PLC offers two mutual funds in Tokyo, and the door-to-door through its department stores. The approach may be the best way it.

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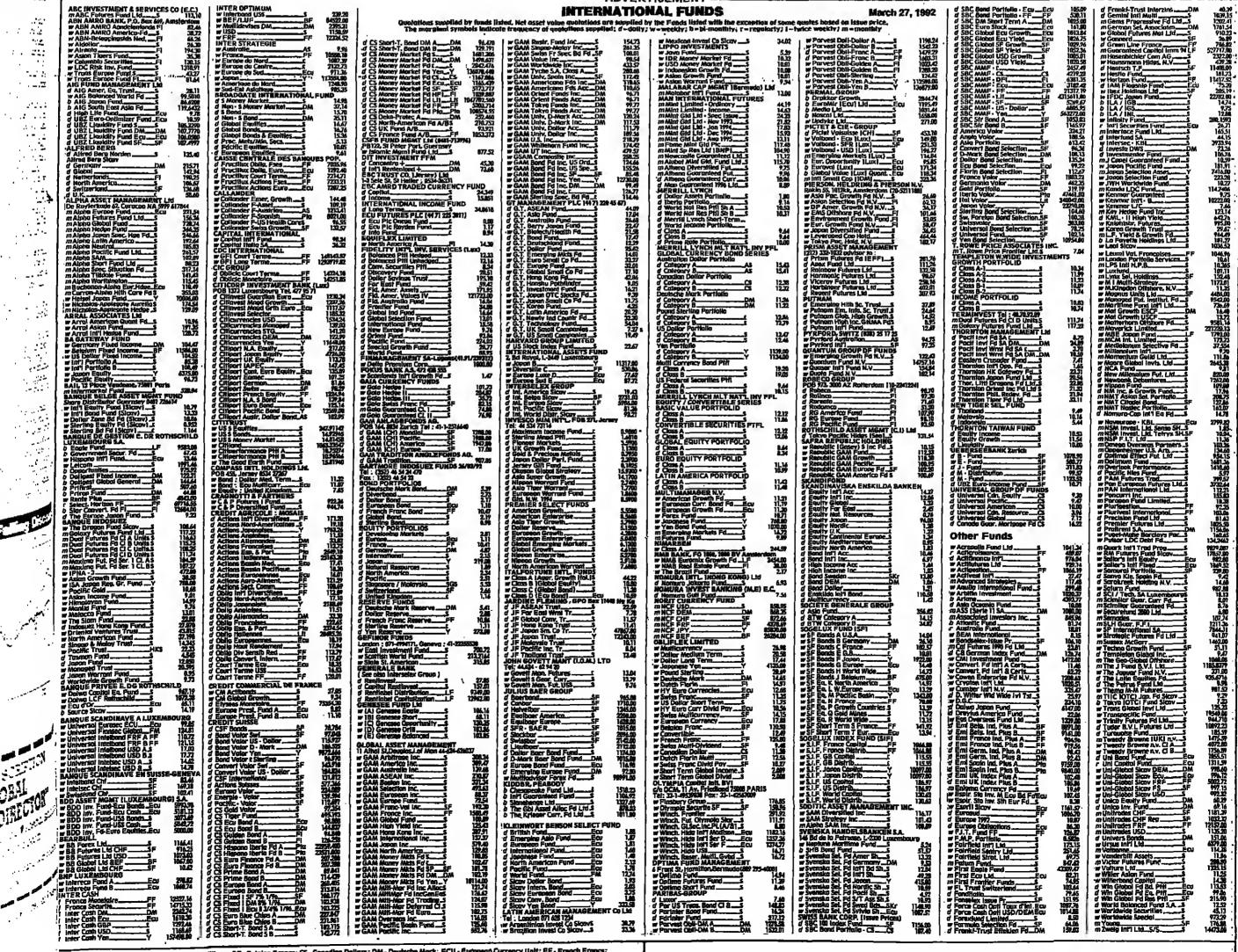
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# SPORTS CYCLING

# How Did **Twins Deal Themselves** A Winner?

By Murray Chass

New York Times Service
SCOTTSDALE, Arizona Tom Kelly was at the dog track the other night minding his own business when, he said, "This lady grabs me and says, 'You're Tom Kelly, aren't you?"

After Kelly, the Minoesota Twins' manager, acknowledged that she was correct, he related, she said, "How did you get John Smiley from the Pirates?"

"She's from Pennsylvania," Kelly said. "She didn't like it."

Many people in baseball wonder how the Twins got John Smiley from Pittsourgh, and some wonder why they never even heard that the 20-game winner was available.
"How did it happen?" Woody

Woodward of Seattle wondered out loud, raising the question some of his fellow general managers asked as well. "Nobody knew it was happening. You'd think they would ship him around. If they called around, they'd probably find six or eight clubs interested. Minnesota made a marvelous deal, one that has everyone baffled."

Cootrary to what it seemed to many general managers, some of whom would like to have heard from the Pirates, Ted Simmons, their new general manager, did talk with clubs other than the Twins.

Simmons, who recently was the St. Louis Cardinals' farm director, identified the young players in wanted, decided what teams needed pitching and contacted those teams. The Los Angeles Dodgers and the Baltimore Orioles were among the other clubs that heard from Simmons.

There were certain young players they had an interest in," the Dodgers' Fred Claire said, "But we weren't interested in moving them. You'd have to be tempted any time you can acquire a premium player, but there are certain players whom we're dedicated to seeing develop."

The Orioles had a similar reaction, but the Twins liked the idea of swapping a couple of young players for Smiley. General Manager Andy



The Dodgers' Brett Butler got under the Reds second baseman Bill Doran to break up a double play.

MacPhail had several reasons for liking the exchange, but one in particular showed the type of thinking that has resulted in two World Series championship teams in the last

"There's an expansion draft could up in Hovenber," Mat-Phail said. "When we project our protected list, we know we're going to have to expose one or two young pitchers. Why let them be drafted when you can package some for a

The Twins gave the Pirates Denny Neagle, a 23-year-old left-handed pitcher, who most likely would not have won the fifth spot in their starting rotation and who is out highly regarded by some scouts, and Midre Cummings, a 300-hitting minot leaguer, who is considered at least three years away from

In return, they got a 27-year-old The guy threw on the side and

game winners in the majors last season. The last 20-game winner to be traded before the following season was Joaquin Andujar, who St. Louis sent in Oakland after he won 21 in 1985.

The Twins had a gaping hole in their starting rotation because Just Morris left as a free agent, but Smiley should fill it nicely, even though his post-season performances in October were as bad as Morris's were good,

Those unsuccessful efforts - he lasted a total of two and two-thirds innings in two starts - plus a slow start this spring prompted speculatioo that Smiley had an arm prob-

Jim Leyland, the Pirates' candid manager, said he did oot, and Kelly found, in his first view of Smiley, that he did not.

left-hander who was one of four 20- he threw great," Kelly said.

When he made the trade, Simmons said he would have made it even if Smiley could oot have been a free agent after this season. Barry Bonds, in a similar position as Smiley, said Simmons shouldn't insult anyone's intelligence, and another shouldn't say money wasn't a fac-

tor. Of course, it was a factor," The Pirates, who will try to sign Bonds and Doug Drabek, shed Smiley's \$3,44 million salary but gave the Twins \$800,000 to help pay what has become the biggest salary on their payroll.

At a team meeting, Kelly introduced Smiley to the rest of the Twins. Randy Bush, a veteran member of the team, had a ques-

"It said we got Smiley and \$800,000," Bush said in Kelly, "I see Smiley, but I doo't see the \$800,000, Where is it? Do we get to split it up?

# Riding the Low Road to Cycling Glory

By Samuel Abt

CHOLET, France - For all his dreams of building the best team in professional bicycling, of competing with the big boys over the Alps and Pyrenees in the Tour de France, Eddie B. was gloomy about prospects in the undemanding Cholet-Pays de Loire race. The course might be flat but so were his riders.

"Please don't expect very good results from us," he cautioned. "Guys too tired. Only riders who have a chance to be top 10 have to finish. Others can stop when they want. We're taking this race as a warmup."

That went for Eddie B, himself. When he finished driving the 205 kilometers (127 miles) of the course behind his Subaru-Montgomery riders, he planned to stay behind the wheel and leave immediately for his distant headquarters in Germany. Problem. I need to be in Dortmund and in Belgium at the same time to talk to agent and sign the contract for next races."

Races can mean money since some promoters pay start fees for a team or a star to show up. While the Tour of the Mediterranean in France last month paid Subaru-. Montgomery nothing, the team will get nearly \$7,000 to ride in the Tour of the Basque Country in Spain next month. "So we get rolling, OK?" Eddie B. says enthusiastically.

For a small race, Cholet-Pays de Loire paid what it could. "Little money, 5,500 francs." Eddie B. considered dropping out of the race because two of his better riders, Denis Roux and Mike Carter, were sidelined with knee tendinitis and the others were fatigued after traveling two days from their last race in Italy. But the no-show penalty was 10,000 francs (\$1,785), which he decided was too steep.

Subaru would race, but with limited goals and one of the smaller teams in the 18-team race - only five of its riders mounted the podinm in the Place Général de Gaulle in Cholet and signed in last Sunday as several hundred spectators clapped intermittently.

"The American team, Subaru," intooed the race announcer, Daniel Mengeas, usually a warehouse of minutiae about riders. This time he was stumped. Eddie B. had entered Nate Reiss, who has ridden almost exclusively in the United States; Rob Holden and Chris Walker, who have ridden almost exclusively in England; Martin Aun, an Estonian who rides almost exclusively oowhere but is so eager that he competes for expenses only, and Janus Kuum, a Norwegian who was born in Estonia.

First to report. Subaru-Montgomery set a bad precedent for the announcer. The major teams in the race — Lotto, Castorama, Z, RMO, PDM, Lotus, Buckler, Tulip, Helvetia and GB MG Boys -- all sent B squads packed with young, unknown riders, while reserving

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THERE WAS A

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CHANCE OF

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ON THE GAME,

WANT TO BET ) I'D LIKE TO BUT ON THE GAME, ) I DIDN'T BRING

ENOUGH MONEY

IN CASE I LOSE

their stars for the previous day's Milan-San Remo classic in Italy. The minor teams -Chazal, Eurotel, Cermia, Pro Road Project, La William, Collstrop and Assur Carpets — sent their A squads but these riders had few glories to be sung; if they had more, the riders would have been invited to join major teams. As one nonperson after another trooped on

stage, Mengeas wilted.
Then, to the blare of horns as team cars tried to form a line, the riders mounted their bicycles and freewheeled out of town. The real starting point was 7 kilometers away, where a herd of black and white cows gazed forlornly at the 143 riders. They set off uneventfully and only the changing color of pastured cows - now brown and white, now mostly black, back to black and white proved that time was passing.

Chatting with his mechanic, Alain Denegre, in the back seat and a guest in the front

### **Building a Team**

Last of two articles

seat, Eddie B. worked to maintain his position in the long line of team cars. He had drawn No. 4 out of the hat and pronounced it lucky for obscure reasons. Its real advantage was that he was close enough behind the pack in see quickly if any of his riders oeeded help.

For that reason, different directeurs sportif, those with numbers in the teens, kept trying to jump the line. The biggest offender was the canny Cyrille Guimard of Castorama, whose number was so low that he violated the rules and failed to post it in his car's rear window. That way, perhaps, nobody would realize he

was cutting in.

At kilometer 12, the radio linking team cars reports a crash ahead. Eddie B. quickly stops and Denegre leaps out, carrying two replacement wheels, but just as quickly returns and reports no Subarus involved. At kilometer 15, a rider jumps away from the pack and builds a lead of more than a minute. Eddie B. does not worry. "One rider not dangerous," he decrees. "Five serious, 10 dangerous but one, no prob-lem. Too much headwind today." Kilometer 17: Reiss drifts to the rear of the

pack and raises his right hand, asking for help. He wants to pass to the car three jackets that Subaru riders have taken off as they begin to work up a sweat.
"Nate, PDM and Lotto are talking," Eddie B. warns. "The cars pull alongside and they talk. Maybe friendly talk, 'How are you!' maybe making a deal. If they move to front,

watch out. Tell the boys." Reiss nods and the car drops back, "Warning oever burts," Eddie B. says, Guimard

again tries to cut in front. Kilometer 33: "There's my boy," Eddie B. shouts, gunning the motor, as a rider far ahead pulls over to the right side of the road

realizes that the rider is from Eurotel, which wears the same Day-glo yellow hat as Subaru. Kilometer 80: Holden calls for help. "I can't

turn the pedals," he says. A 14-man breakaway has developed and left the other riders split into small groups, fighting strong crosswinds.

"You can't go, drop out at feed zone," Eddie B.
says. Then he races off to see if any Subam riders are in the breakaway. He doubts it since the radio has not mentioned his riders' numbers but race radios are not always accurate. Besides, Subaru has drawn numbers in the 90s and the French for Walker's 97 - four twentys, ten seven — is too complicated for Eddie B.'s rusty language skills.

Among the decipherable numbers are two riders from the Castorama team - 11 through 20 - directed by Guimard. His ces has long deserted the line, as it is allowed to do if a team has riders in a breakaway.

Kilometer 98: Eddie B. pulls up to another large group of riders and counts two more. Subarus. If there is only one group ahead, he has two men up among the leaders, fighting for prize money and points, which go to the first 10 finishers. "We have to go!" Eddie B. announces, jumping the curb and speeding on the sidewalk to get past riders spread across the road as they battle the wind. Just before he hits a road sign, Eddie B. whips the car back into the road, ahead of the riders. "Sometimes like that," he says, "but it's my boys."
Kilometer 128: Finally the car reaches the

next bunch of riders, including Reiss and Aun. "A bunch went and I tried to bridge over with two Castoramas and a Zed but the Castoramas wouldn't work," Reiss reports.

"We could have made it if they worked."
"Better 2 in the top 14 than 4 in the top
40," Eddie B. says, meaning that if the Castorama riders had cooperated in trying to overtake the leaders, they might have towed along the whole chasing pack. "That's racing miss the break, you miss it. Like life." He consoles Reiss. "It's over," he says. "You did good." The chasing group slows, knowing it cannot overhaul the leaders. By the time Laurent Desbiens of Collstrop reaches Cholet and easily wins the race, the chasers are farbehind. Aun is the only finisher for Subaru, 44th, 25 minutes back.

Somewhere on the slow trip to town, his est tells Eddie B. that it wasn't surprising Castorama led the attack and refused to chase: the sponsor, a chain of hardware stores, is especially popular in this part of France and Guimard, who has guided riders to seven victories in the Tour de France, comes from nearby Nantes.

Eddie B. thinks about this. "I didn't

know," he says. Too bad you didn't tell me before so I tell them to watch Castorama. And he adds: "That's education, I'll remember that next year."

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### **BOOKS**

### ONLY MAN IS VILE: The Tragedy of Sri Lanka

By William McGowan. 397 pages. \$25. Farrar, Straus & Giroux Inc., 19 Union Square West, New York, N.Y. 10003.

### Reviewed by Steve Coll

O NE of Sri Lanka's lesser misfor-tunes is to be ignored. Despite hav-ing staged ooe of post-colonial history's most brutal and fascinating Third World horror shows — replete with death squads, ethnic fratricide, totalitarian insurgencies and the usual cast of misguided. Westernized politicians - this teardrop-shaped island nation in the Indian Ocean, formerly the British colooy of Ceylon, has managed to rip itself apart during the last several decades without attracting much attention.

Neighboring India dropped in with

50,000 troops five years ago, boping to sort out the island's mess, which it had a hand in creating. But its soldiers soon returned bome, bloodied and sulking. As for the superpowers, present and former, they have generally left Sri Lanka to its own appalling devices.

In the last decade, the total oumber of

deaths from Sri Lanka's shifting panoply of civil wars and ethnic conflicts is estimated to be above 60,000.

. To outsiders, Sri Lanka's implosion seems especially tragic because the island

is paradisiacal. And yet these same people have also produced a broad culture of iolence and two guerrilla movements, the Liberation Tigers of Tamil Eclam and the People's Liberation Froot, whose fanatical terror is reminiscent of Pol Pot's Cambodia.

teacher and journalist, arrived on the island in 1986, stayed about two years and has now written a book about his experiences. Swept up by Sri Lanka's beauty and repulsed by its brutality, McGowan traveled to the island's interiors to chronicle several of its bloodiest guerrilla and army campaigns and to make sense of the larger forces at work in the island's dissolution. Fashioned as a political travelogue, his

book contains strong passages, such as a vivid tale of Christmas in the battered castern town of Batticaloa. McGowan lunches in a "bullet-scarred refectory" with Jesuit priests who have devoted themselves to defending the region's eth-nic Tamil minority from Sri Lankan and Indian death squads. Outside the refectory, war rages. Inside, a priest from New Orleans puts "Silent Night" on a cassette player before he talks politics — in case, he says, "we are being bugged."

But while McGowan is a good listener, a careful reporter and a sensitive observ-

er, he seems unable to decide what he thinks about Sri Lanka. In an unfortunate preface, he compares his assessment of the island to the predicament of a servant at his Colombo guest house who sweeps flower petals into piles, only to

have them blown away by the wind. "During most of my stay there, I rarely felt I had anything but the most tentative, uncertain grasp of the war and what it was about," McGowan writes.

Sometimes McGowan embraces a wispy anthropological relativism to exthat because Sri Lanka's culture is differ-ent from his own, he has oo right to analyze it. Other times he asserts himself, as when he argues with a nationalist professor from the island's Buddhist, ethnic Sinhalese majority who wishes Sri Lanka could become "Burma without the mistakes." McGowan recognizes the man's murderous chauvinism, but seems afraid to take oo the professor's argu-

ment directly."

One fascinating prism through which to see Sri Lanka's fratricide is suggested by an assertioo McGowan makes early in his book. "Sri Lanka," be writes, "failed in build a stable multiethnic, multicultural society because it embraced many of the very concepts and ideas that multi-culturalists in the West have advocated." But the author lets this provocative suggestion drop, as if it were a mere musing. in the end, McGowan returns in the United States engulfed in dread and for-boding about Sri Lanka's future. One wishes he would go back to the island and solve the mysteries that seem in have driven him away.

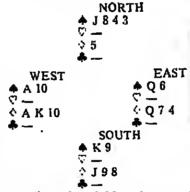
Steve Coll is the South Asia correspon-dent for The Washington Post.

### BRIDGE

On the diagramed deal played dur-ing the Virginia Slims All-Star bridge tournament played recently in Boca Raton, Florida, South played very skilfully to make three no-trump.

By Alan Truscott

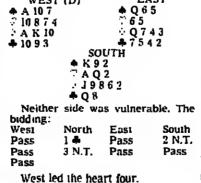
After a heart lead he took four heart this ending:



A diamood was led from dummy and CALVIN AND HOBBES the West player saw that he was io dan-ger of being endplayed. He therefore won with the kind instead of the ten. This gave East the lead, but Silverman guessed right by playing low on the spade lead at the 12th trick, making a game that failed at two other tables.

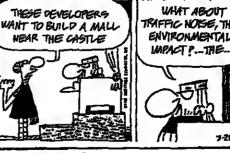
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# WIZARD of ID



I DON'T NEED A BATH! I

CAN STAY CLEAN





LOOK, I'LL LICK HYSELF CLEAN! THAT'S WHAT HOBBES DOES! SEE, I'M

JUST LIKE HIM!





### REX MORGAN





**DOONESBURY** 







HE'S BRINGING THE PACES TO











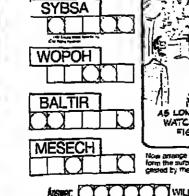
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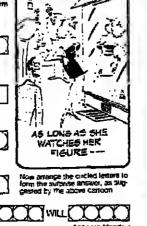






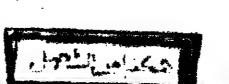






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TORONTO (AP) - Cont physicand on ners have slow John Zegler, gave 2 deadlin The NHL Players Associated for replaying the ba Ager said following 9 : hor ir an de la o sides have m choled a mandatory moet

3 Die at Pakista BLAMABAD (UPI) - 7 defined their country's st regard on Wednesday. As drivers housed car hom broughout the country. an I made of mite the air, killing Music the capital Gnulam H ment died of a bear; anack

JePaul Booster CHICAGO (AP) — A De amer jobs, arranged for pla mor and media on behalf of the booster u as Jeffrey Ta fin chicago Corp.. the paper the bank provided it in the newspaper has reported in the newspaper has provided it in the newspaper has provided it in the prov here in prison for bank fraud pois information director. Je as looking into the reports.

For the Record The threat of a strike by English when the players' unit the players' unit devision receives the union with splaces the First Division on .

# Familiar Final 8 Faces: Duke, Indiana, Kentucky and UCLA

points to pull within six with 7:36

A familiar foursome has moved remaining. But Duke responded into the clite eight of the NCAA basketball tournament.

Ton-ranked Duke, No. 4 UCLA, No. 5 Indiana and No. 6 Kentucky advanced to the regional finals with relative ease Thursday night. Alto-gether, the four schools have won 21 national championships and

Duke downed No. 19 Seton Hall, 81-69, and Kentucky beat No. 17 Massachusetts, 87-77, in the East, while UCLA beat New Mexico State, 85-78, and Indiana eliminated No. 20 Florida State, 85-74, in the West.

On Saturday, Duke (31-2) was to play Kentucky (29-6), and UCLA (28-4) was to face Indiana (26-6). On Friday, third-ranked Ohio State was to meet No. 18 North Carolina and No. 11 Oklahoma State faced No. 15 Michigan in the Southeast semifinals. In the Midwest, it was Memphis State vs. Georgia Tech and No. 12 Cincinnati vs. Texas-El Paso.

Defending champion Duke used a balanced attack to get within one victory of its fifth consecutive Final Four. The Blue Devils got 16 points apiece from Christian Laettner and Antonio Lang, and 15 each from Grant Hill and Brian Davis.

"It took everybody to do it," said Duke's coach, Mike Krzyzewski. "That was one of our tougher ball-····· in the second

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Seton Hall scored seven straight

Seton Hall (23-9), which beat Duke at the 1989 Final Four. "I'm very disappointed," said Seton Hall's coach, P.J. Carlesimo. been to the Final Four 38 times. "We accomplished some things and were a good basketball team, but I don't think we accomplished as much as we should have."

UCLA ended New Mexico State's dream season with a tough, man-to-man defense and the inside power of Tracy Murray and Don MacLean Murray scored 21 points and MacLean added 19 as the Bruins moved one victory away from their first Final Four since 1980.

New Mexico State (25-8) was trying to become the first 12thseeded team in reach the Final Four. But the Aggies' matchup zone defense and court leadership of guard Sam Crawford, whn had points, were no match fur the Bruins' savvy and scoring.

Trailing 47-31 at halftime, New

Mexico State scored the first 10 points of the second half. But UCLA pulled away again, taking a 61-47 lead on a three-point play by O'Bannon and a 3-point shot by Gerald Madkins.

Kentucky capitalized on a technical-foul call against the Massa-chusetts coach, John Calipari, and overcame poor 3-point shooting to defeat the Minutemen.

with a superb passing sequence Jamal Mashburn seored 30 that led to a pair of free throws by Davis, and the Blue Devils were never threatened again. Terry Dehere had 21 points for points for Kentucky, which won despite being outshit from 3-point range for the first time this season. The Wildcats made nnly 3 of 15 loog-range shots, while Massachusetts was 5 of 9.

UMass (30-5), which had won 14 straight, cut a 20-point deficit to two points with 5:47 remaining when Calipari was called for venturing outside the coaching box. Kennicky then went nn an 11-2

Calipari wasn't bitter about the call. "The official has a job to do and I have a job to do," he said. "If step out of the box, he has the right to call a technical."

Eric Anderson, playing with four stitches in his chin, scored a seasonhigh 24 points in a reserve role as Indiana beat Florida State. The Seminnles jumped to a 9-2 lead before the Hoosiers rallied behind Anderson, who came off the bench and scored 17 points in the next 14 Anderson, whn averages 10.6

points per game, swished a long jumper as soon as he entered the game. He followed it with a 3pointer and helped the Hoosiers take a 34-29 lead before banging his chin on the court while chasing a loose ball. He continued to play with a handage on his chin, but went to the locker room shortly before halltime to get stitches.



Seton Hall's Jerry Walker battling Duke's Brian Davis for a loose ball in their East semifinal.

# Sweden Surges, France Falters In Davis Cup

Compiled by Our Staff From Dispatches Magnus Gustafsson and Stefan Edberg posted straight-set victories Friday to give Sweden a commanding 2-0 lead over Australia in their ered Karel Novacek, 6-3, 6-4, 6-2. Davis Cup quarterfinal, as France, the defending cup-holder, feli behind to Switzerland when novice Arnaud Boetsch lost the opening singles to Jakob Hlasek.

In Lund, Sweden, Gustafsson overcame a shaky start to win the opening singles over Wally Masur, 7-5, 6-4, 6-4. Edberg, the world's top-ranked player, scored an easy 6-3, 6-2, 6-3 win over Richard Fromberg on the Victoria Hall's fast carpet surface. It was the 21st singles victory in 29 Davis Cup matches for Edberg, who helped Sweden win the trophy three times

Edberg, coming off two recent setbacks in players not even ranked in the top 200, will be back Saturday to play a doubles match with Anders Jarryd. A victory over John Fitzgerald and Todd Woodbridge would give the Swedes an unbeat-able 3-0 lead in the best-of-five

The winner of this match advances in the Sept. 25-27 semifinals

Just two weeks ago, Charles Smith of the

Boston Celtics was sentenced to four and a

half years for vehicular homicide and leaving

the scene of a crime. The verdict was just, but

against either the United States or Czechoslovakia, who were playing another quarterfinal in Fart Myers, Florida. Pete Sampras overpowin the opening singles to give the Americans a 1-0 lead.

Sampras's big serve and success ful charges to the net on the hardcourt surface were too much for Novacek, a clay-court specialist who rarely left the baseline and was inconsistent with his groundstrokes. Samoras, 3-0 in Davis Cup this

year, served 17 aces, held every service game and broke once in each of the first two sets for leads of 3-1 and 3-2. In the final set he won five consecutive games.

The other match pitted Andre Agassi against Petr Korda. John McEnroe and Rick Leach were to face Korda and Cyril Suk in the doubles on Saturday.

In Nimes, France, Hlasek out-lasted Boetsch, 3-6, 7-6 (7-3), 6-4, 7-6 (7-4), saving four set points in the fourth set before winning the opening singles match.
Hlasek, the Swiss number one,

had to fight hard to beat Boetsch, a 22-year-old playing his first Davis Cup singles, in an exciting four-set match that lasted almost four

Hlasek, who struggled at first against the intelligent game of the Frenchman, was fortunate not to

he taken in a fifth set. The match could and should have gone to a decider but the inexperienced Boetsch blew his chance when he squandered four set points in the fourth, one of them a simple

overhead which he hit straight back at Hlasek. Boetsch, originally selected as a reserve doubles player, was surpris-ingly chosen by Yannick Noah, the nonplaying captain, nver the he-roes at last year's final, Guy Forget

and Henri Leconte. "I had a lot of chances," Boetsch

said after the match. "I just couldn't finish them off," Noah said the match had turned

on a few points. "It's true Arnaud didn't have much luck with the important points, especially the points for the fourth set. Hlasek had the luck when it mattered but that's the way things go."

### TYSON: A New Life as 922335

(Continued from page 1) bars and the prospect of never re-gaining the heavyweight boxing ti-

"I'll survive," he said moments before the judge ordered him to serve six years for rape and depu-

the situation, I will survive it." Alan M. Dershowitz, the Harvard law professor who represents the former heavyweight boxing champion on appeal, hustled from the courtroom Thursday to try to free Mr. Tyson. A three-judge ap-peals panel set the hearing for Fri-

> "Every moment Mr. Tyson spends in confinement is a moment of injustice," said Mr. Dershowitz, whose clients have included Leona Helmsley and Claus von Bulow.

He dismissed as "ridiculous" the idea that Mr. Tyson would try to flee the country if freed on bond. "Mike Tyson won't flee. He has a scarlet letter on his head," Mr. Dershowitz said. "He has one of the most recognizable faces in the world."

Mr. Tyson, 25, was sentenced for the rape last summer of 19-year-old Desirée Washington, a Rhode Island college student entered in a

beauty pageant which Mr. Tyson attended in Indianapolis.

With time off for good behavior, Mr. Tyson would likely serve three years, if his conviction is not overturned on appeal.

"This is a very, very serious appeal," Mr. Dershowitz said Thursday. "It would be a tragedy if Mike Tyson spent a year in jail, then won

He said it could very well take a year before the courts rule on Mr. said he would raise more than a dozen issues in appealing Mr. Tyson's conviction, including the fact that some defense witnesses were not allowed to testify at his trial.

In sentencing Mr. Tyson on Thursday, Judge Patricia Gifford of the Marion County Circuit Court said the boxer should go directly to jail because he might rape someone else and because he might flee the country if allowed to go

Smiling and waving his handcuffed wrists at photographers, the fighter was frisked, fingerprinted and taken to the prison facility directly from the courthouse.

# Finally, Prison Was Tyson's Last, Best Shot at Life

By Thomas Boswell

Washington Past Service
WASHINGTON — When Mike Tyson
walked into court this week, he was a man in mortal danger, He had millions of dollars, enough jewels for a king, enough sports cars for his own Monte Carlo race, sycophants everywhere he looked and Don king slapping him on the back, calling him and telling him that he hadn't done anything wrong.

In other words, Tyson was a lost soul, a Tyson's appeal. Mr. Dershowitz man almost without bope of avoiding self-

Vantage C

more proof were needed, showed how far he can prison be any worse?

ly predictable vices.

Presenting himself as the victim, not the

criminal, Tyson said, "I have not raped anyone. I didn't hurt anyone. No broken jaw. no
broken ribs. I am not guilty of this crime."

will just be another form of heil for him. Still.
a man's hife cannot be significantly worse—
interests that he be granted bail so he can go
back to the Lamburghini he loves to drive at
locked away.

At this point, Judge Patricia J. Gifford depressed, more destructive, more a desper-held Tyson's fate in her hands. She could ate scream for help — than Tyson's downsend him back to his personal hell of wealth he could not handle, friends he did not trust. anger he could not control, confusion he could not clarify, lusts he could not master and vices he could not refuse. Or, she could send him to prison immediately.

Perhaps Gifford did not entirely grasp the mercy that she showed. Saying she feared Tyson might rape again, she denied him bail.

Tyson is to appeal his conviction. After all, he's naly gone through \$90 million or \$95 million of the \$100 million he's won, so there's still enough left for a few more lawyers. But legal experts don't see his chances destruction. All the usual instruments of self-delusion were arrayed before him. All the world's temptations were still his to choose.

Tyson stood before the court, awaiting "the worst." After all, the life Tyson's been life in the worst. "After all, the life Tyson's been life in the worst."

Tyson stood before the court, awaiting "the worst." After all, the life Tyson's been sentencing on a rape conviction, and, as if living has been killing him — and fast. How had destroyed his own character in his six If the "best" that the world can offer turns

sad riotous years as a world famous boxer, out to be the worst imaginable curse for you, idthrift, woman chaser, woman abuser then might not the "worst" - prisoo - hold and all-purpose fool for the most pathetical- out some promise of a chance to be left alone and figure out if you can save yourself?
Who knows with Tyson? Maybe prison

suicidal speeds and to the Dom Pérignon he likes to drink until he passes out? ate scream for help - than Tyson's downward spiral has been for years.

Getting Tyson away from his money, away from gold-diggers and blood-snekers, away from concerns about whether he'll ever be heavyweight champion of the world again may be the only way to turn back his clock.

After all, the Mike Tyson who first showed up in public less than a decade ago seemed like a promising man. Certainly he bore no resemblance in the Tyson of recent years

The life Tyson's been living has been killing him -- and fast. How can prison be any worse?

who has been a hurricane of self-loathing. Prison is probably a therapeutic place for a man who drives cars into trees, veers into

pre-dawn street brawls and gets sued by every seventh person he meets. When a man has been called a problem three years in jail for a crime that was consisdrinker, a manic depressive and someone tent with his whole deliberate and degenerate who threatens in kill himself — all by a pattern of behavior for several years. We can

it was horrible too. Smith killed two young women with his rented van as they crossed a busy Boston thoroughfare. The contrast between Smith, as he awaited his sentencing, and Tyson before his, says everything about the difference between a

good man who has done a terrible thing and a lost man, perhaps even a bad man, who has not begun to face his inner darkness. "I'm not going to forget this for the rest of my life. Every day I just think and think of this," Smith said to the court and the distranght parents of the young women he killed. "No matter what happens," he said,

"I will always be praying for you." Charles Smith will have to spend at least two and a half years in prison because he made a deadly mistake. Those who know him only hope he can remain the same per-

son he was the day he was sentenced. Mike Tyson will have to spend at least pattern of behavior for several years. We can only hope that the man who emerges bears little resemblance to the criminal who was

In Maceio, Brazil, the start of the

Brazil-Italy match was delayed five hours by heavy rain. Luiz Mattar of Brazil and Omar Camporese of Italy were to play the opening singles. In Sweden, Gustafsson served

well throughout the match, especially in the third set, when Masur failed to win more than one point against serve. (AP. Reuters)

### SIDELINES

### **NHL Talks Stall as Deadline Looms**

TORONTO (AP) - Contract talks between National Hockey League players and owners have slowed significantly and the league's president, John Ziegler, gave a deadline of Saturday night for reaching an agree-

The NHL Players Association has set a strike deadline of noon Mnnday for replacing the basic agreement that expired last Sept. 15.

"I think the next 24 to 36 hours will really show if that is achievable," Ziegler said following 9½ hours of talks on Thursday, the third consecutive day the two sides have met. Ziegler said the Board of Governors has scheduled a mandatory meeting for Sunday in Chicago.

### 3 Die at Pakistan Cricket Parties

ISLAMABAD (UPI) — Three people died Thursday as Pakistanis celebrated their country's stunning cricket World Cup triumph over England on Wednesday.

As drivers honked car horns and people partied all night in the streets throughout the country, in Peshawar, youths armed with rifles shot rounds off into the air, killing two people. In Gujar Khan, a town just outside the capital, Ghulam Hussain Khan, chairman of a local governing council, died of a heart attack during a party.

### \_\_\_ DePaul Booster Said to Aid Players

CHICAGO (AP) - A DePaul basketball booster provided recruits summer jobs, arranged for players to have free meals and used his firm's money and media on hehalf of the team, a newspaper reported Friday.

The booster was Jeffrey Tassani, a former high-ranking executive of

First Chicago Corp., the paper, the Chicago Sun-Times, said.

The newspaper has reported previously that the FBI was investigating whether the bank provided bank-owned apartments for players. The report Friday, attributed to unidentified sources, says bank funds in excess of \$100,000 were used on DePaul's behalf. Tassani is serving 24 years in prison for bank fraud unrelated to Depaul activities. DePaul's sports information director, John Lanctot, said Friday that the school was looking into the reports.

### For the Record

The threat of a strike by English first division soccer players mcreased Friday when the players' union rejected the latest offer from the new Premier League. The talks broke down over the question of how much television revenue the uninn will receive from the Premier League, which replaces the First Division on Aug. 15.

### BASKETBALL

**NBA Standings** EASTERN CONFERENCE Pci 436 571 457 449 440 340 340 40 30 32 38 31 38 31 37 22 47 17 53

.714 .462 .463 .557 .543 .529 .324 THURSDAY'S RESULTS

Wilkins 9-154-523; Williams 11-20-5727, Liberty 6-13 9-11 20. Rebounds—New York 54 1 Cwing 14), Denver 54 (Multiombo 11), Assists— New York 21 (Jackson 8). Deriver 19 (Davis 6). Housten 28 22 25 28-95
LA. Clapers 7 12 28 24-197
Moxwell 8-21 4-5 26 8-Johnson 3-6 2-4 9.
Thorse 4-5 1-4 9: Mozneling B-11 2-2 18, Horser 4-

SCOREBOARD 146814, Norman 6-152-214, C.Smith 4-96614. Rebosals—Houston 53 I B.Johnson 73, Los An-geles 59 I Norman 10). Assists—Houston 1 [Maxwell 53, Los Angeles 23 (Grant 11). orites 24 17 26 25—72
A Leiters 29 25 28 25—115
juzzolino 7-11 3-4 19, Willioms 7-11 2-2 16;

| Luzolino 7-11 3-4 19, Williams 7-11 2-2 16; | Teople 12-18 4-6 28, Throati 16-12 1-1 21, Re-| Bounds -- Oolino 45 (Hodoe, Williams 6), Los | Angeles 54 | Divoc 111, Assists-- Oolino 22 | Illiackman 71, Los Anseits 21 (Throati 6), | Portland 28 38 34 33-118 | Secremento 28 18 11 22-116 | Director 7-15 5-6 20, Robinson 5-10 3-5 17; Portland 28 38 34 33—138
Secremento 28 16 31 39—136
Drexter 7-15 5-6 20, Robinson 5-10 3-5 19;
Richmond 9-16 5-10 22, Wobs 6-11 3-3 15, Rebounds—Portland 57 (Karsey, Duckworth 7),
Socramento 56 (Simmons 6), Assista—Portland 32 (Pock 4), Socramento 23 (Webb 4).

Women's NCAA Tournament REGIONAL SEMIFINALS

BAST NEGIONAL Al Camericaville, Ve.
Vonderbitt 17, Michail 67
Virginio 103, West Virginio 23
ANDEAST REGIONAL
AT West Latevette, Ind.
Wastern Kentucky 75, Tennessee 79
Marviand 64, Purtiue 58 Al Boulder, Colo. SW Missouri State 82, UCLA 57

Island 75, Perm St. 72 WEST NEGIONAL Al Sectifie Southern Cal 41, Stephen F, Austin St

**NHL Standings** WALES CONFERENCE

HOCKEY

42 26 7 71 313 250 36 28 31 43 272 340 36 20 9 81 325 287 x-New Jersey 47 25 18 92 256 190 33 32 10 76 250 240

W L T Phs GF GA
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34 32 10 78 242 224
31 38 5 67 227 253
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Smythe Divisione
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res 34 29 13 81 273 234
13 32 7 17 278 277
28 34 32 15 71 224 227
28 36 11 67 276 299
17 54 5 2 204 235 x-St. Louis z-Los Angel z-Edmonton

THURSDAY'S RESULTS Craigwell 141 . Scrok 17), Wilkinson 131 . Mc Clead (4): The Clead (4); Thomas (25), Flatley (8), King (26) Creighton (18), Hogue (27), Perrore (36), Finter

(1). Starts on seet: Son Jose ton Pitzpatrick)
10-114—27. Naw York (an Myllys) 16-147—37,
Yascsaver 1 1—3
Pittsburgh 3 3—2—7
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ray (17), Tocchet (24) 1, Francis (31): 2—6
mieux (42) 2, Shebs on seet: Vancouver (on Wreguet) 12-10-9—31. Pittsburgh (an Gombie) 13-4-8—30.

ble) 13-14—30.

Chicaspe 3 8 1 1—6

Qualut 13 1 2 6—4

Larimer (28), Lamieux (4), Petuso (5), Grahom (17), Goulet (31): Posiowski (25), Notan

(41), Finn (4), Komensky (7), Shots se speciChicaspe (an Fisel) (44-10-3—33, Quebec (an

Batiour) 7-11-6—24.

Line Annelies 3 8 8—2 Thompson (1), Gretzky (31); Make Romeim (21), Petit 14), Reichel (19), Roberts 149) 3. Shets ox 900f: Los Angeles (on Reese)

Quarterfinal United States 1, Czechoslovakia 0 Pete Sampras, 11.5\_det. Karel Novocek. 6-3. Boetsch, 3-6, 7-6, (7-3), 6-4 7-6 17-4).

Swedes 2, Australia II Mosnus Gustrisson, Sweden, def, Wolly Mo-sur, 7-6, 6-4, 6-4; Strian Edbern, Sweden, def, Richard Frambers, 6-3, 6-2, 6-2 ASIA-OCEANIA ZONE, GROUP ONE Chies L Japan 1

Shuzo Matsudka, Japan det, Pang 2 ing, 6-2, 6-1, 6-3; Xia Jiopins, China, det, Yasufumi Yamamota, 6-3, 2-6, 6-1, 6-4. Seate Karea 2. Talwas 8 Kim Jae-sik, Sauth Korea, def. Lien Yu-hul, 64 6-2 6-4; Chang Eul-lang, Sauth Korea, def. Chiang Jinn-yen, 6-2 6-2 6-0.

Philippiaes ), Indonesia 1 Ratand So. Philippines, dcf. Dede Suhendor, Indonesia, 7-5, 1-6, 7-5, 1-8 w/a; Benny Wilaya, Indonesia, del. Joseph Lizardo, 6-4, 6-2, 6-1, ASIA-OCEANIA ZONE, GROUP TWO Hogy Kong 2, 5ri Loeko I Uchael Walker, Hong Kong, del. Dishan with, 6-9 6-9 6-9; Colin Gramf, Hong Kong, Jovendra Wijesekera, 6-1 6-4 6-2.

Relegation Playoff
Pakiston 2 Bandadesh II
Roshid Matik, Pakiston, del, Salv Lai, 6-26-8
6-1: Mahammad Kholed, Pakiston, def, Filira
Loi, 6-1 6-1 Jordan 2, Singopers 9 Imad Abou Hamde, Jordan, def. Frederick Ylez, 6-2, 6-2, 6-4; Hami al-All, Jordan, def. Cherman Tof., 6-4, 6-3, 2-6, 4-6, 9-7.

Malaysia 1, Thailand 1 Malik, Malaysia, del, Sricha makern,4-6.7-a.7-6.4-3; Srichae The light, det, Romayon Rema

Exhibition

THURSDAY'S RESULTS

N.Y. Mets 6. Attente 8 Les Angeles 6. Cincinnot Beston B. Konsos City 6 Kinnesola 6, Bai N.Y. Yankees S. Montreal 2 San Francisco 4, Milwaukee 3 turgh & Chicago & 11 Innings, the TRANSACTIONS

BASKETBALL ATLANTA-Named Don Chancy de HOUSTEN-Activated Carl Herrera, forward, from injured list.

LA LAKERS—Put Som Perkins, centerforward, on injury list. Activated Keith Ow

FOOTBALL ing back, CINCINNATI—Signed Derrick Fenner, CLEVELAND—Signed Pele Holohon, Hight

CLEVELAND—Signed Ferr Hondon, Igent and, and Anthony Mass, Illebocker, GREEN BAY—Signed Adrign White, sofety. INDIANAPILIS—Cort Zonder, finebocker, signed 2-year controct, Respeie Longharne, wide receiver, agreed to terms of 2-year controct. LA. RAMS—Signed Jeff Chadwick, wide respense. receiver. MIAMI—Signed Bruce Alexander, coner-SAN FRANCISCO-Signed Mike Renno.de-

NOCKEY Notice the Notice League
NEW JERSEY—Recoiled Jarred Stoids,
center, from Ulica, American Hockey
League, Colled up Mortin Brodeur, pootlender, from St. Hyocinthe, Quebec Major Junior
besteel League. Hockey Leogue. QUEZEC—Returned Bill Lindsay, left QUEZEC-Returned Sill Lindsdy, lett wind, to Tri-Chies, Western Hockey League. Sent John Tomer, soutender, to Halifack, American Hockey League. SAN JOSE—Sent Cloudio Scremin, detensement to Konsas City, Informational League.

COLLEGE ABILENE CHRISTIAN—Named Suzanne Johnson women's basketball coach. CALSTATE FULLERTON—Will not renew en's volleyboll coach

FAIRFIELD-No. KUTZTOWN-Named Clark Yeager athlet-NORTHWESTERN LOUISIANA-Promot

esketball coach to duties of Gib Chapman, ithletic director. Named David Bettencourt NEWBERRY—Named Peggy

RIITGERS-No en's volleyboli cooch.
TENNESSEE STATE-Joe Gilliom Sr. ootboll coach, resigned. SE LIIUISIANA—Contract of Don Wilson. asketball coach, will not be renewed. WISCONSIN—Named 5tv Jackson men's

BASEBALL

BASEBALL
American Legau

BOSTON—Sent Sob Zupcic and Wovne
Housis, cuttileters, and Kevin Morton, pitcher, to Powfucket, International Legaue.
IETROIT—Sent Grep Gohr, Buddy Groom. David Hoos, Jeff Kaiser and Mike Wallace ofichers; Victor Rosario, Inflektor; Jody Hurst, Riccordo i noram and Shawn Hare, out

Hurst, Riccardo Ingram and Shawm Hare, out-leiders; and Marty Pevey, caicher, to minor league comp for reassignment. KANSAS CITY—Waived Kevin Seltzer, third baseman, for purpose of giving him his uncon-ditional releage. Sent Dennis Meeller, oitcher, o minor league comp for reassignment. N.Y. YANKEES—Sent Wade Taylor, Russ Stripper and Ed Marten Michael to Column pringer and Ed Martel plichers, to Calum Seriner and Ed Mortel, Pilchers, to Columbus, international Leosue. Seth Mark Hutton, Pilcher, to Albany, Eastern Leogue.

SEATTLE—Cohloned Jim Newito and Kerry Woodson, Pitchers, to Vancouver, Pacific Coast Leosue. Sent Roser Salkeld, Pitcher, and Bret Boone, Infielder, to minor leogue camp for reassignment.

TEXAS—Cohloned Jose Hernandez and Rob Mourer, Imfielders, to Oktohoma City, American Association, Celifoned Chris Colon, Infielders, to Tulsa. Texas League, Sent Doug Dovis, cotcher, to Oktohomo City,

National League
ATLANTA—Optioned David Nied, pitcher,
to Richmond, International League, Sent Armando Reynoso and Tom McCartity, offichers,
to minor league camp for regastament.
CINCINNATI—Optioned Gino Minutelli
and McSanford, pitchers, to Noshville, Amertem Association Sent Des Milkers optobase in ers and Korf Rhodes, autilities, to Tucson, Po-cific Coast League, Sent Rad Booker and Rick Parker, Infibitiers, and Barry Lyons, catcher, to minor league camp for reassignment. L.A. DODGERS—Named Poble Peguero

general manager of Campos Las Pá Dominican Republic.

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### **DAVE BARRY**

# The Dead Letter Office

announce an exciting new service And look at our icemaker. for those consumers who expect, at some point in the future, to be dead. We found out about this service through an advertisement in Yankee magazine that was sent to us by a number of alert readers. It states: "JUST THINK . . . You

passed away months ago . . . and yet on every occasion that is important to those you left behind, and on their birthdays, they receive a BEAUTIFUL CARD expressing your warm and loving thoughts to

The ad had a coupon that you could fill in and mail, with a dollar, to a company called "Cards From Beyond" of Fairport, New York. We did this, and Cards From Beyond sent back a tasteful brochure describing the various cards that you can arrange to have sent to your loved ones on specific annual occasions after you expire, for \$25 per card per year. There are cards for Thanksgiving, Christmas, Easter and anniversaries, but — sur-prisingly — none for Halloween. Our personal favorite card is the "Happy Birthday" model, which features the following message, which we are not making up:

"On this special day in your life, take joy in the fact that those of us who have gone on before would give anything to be in your shoes." Perbaps, to add to the festive mood everybody could gather round your leved one and sing:

Happy Birthday to you! Happy Birthday to you!

Happy Birthday dear (NAME OF LOVED ONE),

SECOND CAMPER: OUCH! (slap) OWW! (slap).

FIRST CAMPER: YOW! (slap) And don't forget that (YOUR OHIH! NAME) is still dead! SWEE

We think that Cards From Beyond is a needed service, ... we'd like to see it expanded i other areas. For example, we'd be very interested in sending Letters From Beyond to the Sears Appliance Repair Department. We have been trying for the bulk of our adult lives come to our house, and we'd like to continue trying after our demise by means of an annual card that would say:

Although 'tis true that we've been processed

PERSONALS

MI AMI — Today on Consum-er Quadrant we are pleased to We'd still be grateful if you'd come

Some other services from beyond that we'd he interested in are: Betting on Football From Beyond, Claiming Flagrantly Bogus Tax Deductions From Beyond, Ordering Takeout Chinese Food From Beyond, and Calling Up Phyllis Schlafly at 4 A. M. and Making Comical Barnyard Noises From Beyond.

Speaking of appliances and death, one question that people ask us constantly here at Consumer Quadrant is: "Is it possible to generate electricity using dead hornets?" We are pleased to report that the answer is: yes. We have here an article from the Feb. 2 Chicago Tribune, mailed in by alert reader Stephanie McGrath, which states that scientists at Tel Aviv University have discovered that hornets have a special kind of skin that can convert sunlight into electricity.

This is exciting news, because unlike ordinary flashlight-style batteries, which are designed to start losing power rapidly the instant you pay for them, hornets represent a natural and renewable energy source that could provide major benefits for all of bumanity, includ-

FIRST CAMPER: Dam it! Night has fallen and my flashlight batteries are drained! SECOND CAMPER: Don't

nets' nest here and . . . 

worry! I'll just reach into this hor-

SWEDISH BIKINI TEAM:

Aiceec! SECOND CAMPER: Well, that was extremely painful, but I've rigged up a simple 10-hornet circuit here, and as soon as morning comes and sunlight strikes their skin, we'll

have light! FIRST CAMPER: Woog. (Dies.)

Okay, so maybe we need to work out some "bugs." (Ha ha!) But the important thing is that we at Consumer Quadrant promise to monitor these developments and keep you informed just as long as we're around. Even longer, if you want to sign up for our new service, Columns From Beyond.

Knight-Ridder Newspapers

# Of Disks Back in the Ex-U.S.S.R.

By Mike Zwerin International Herald Tribune

DARIS - Ben Mandelson is looking for contemporary folk goodies like hot Kazakhstan wedding music with a wailing clarinet accompanied by an electric guitar. He can do without Los Angeles thrash-rock but admits to a weakness for Mongolian heavy metal.

Although he does not think tradition has to go back centuries to be "authentic" (Polish reggae for instance), he describes himself as a "21st-century Alan Lomax." He has taken tane recorders into the field in Madagascar, Kenya, Zanzibar. Greece and elsewhere recording local instrumentalists playing ancient music that will never be either à la mode or out of date. His record company, GlobeStyle, in Lon-

don, has a catalogue of some 75 World Music recordings. With the emergence of the Com-monwealth of Independent States, he became increasingly interested in the catalogue of the ex-U. S. S. R. recording monopoly. Melodiya. In terms of titles, Melodiya is the largest record company in the world. Several Western multinationals have been negotiating to buy it, but nobody seems to know exactly how much material there is, where it is, what it is, what condition it's in or who owns it. Five private companies, for example, now claim the old Melodiya factory in Riga.

The confusion is no surprise to Mandelson, who has been trying to buy titles for his catalogue since 1987. "Melodiya has been recording every aspect of Soviet life since the 20s," he says. "This includes all the music of all the bundreds of ethnic groups of the constituent republics. Sometimes only 200 copies were pressed, but when you add it all up it constitutes an amazing archive of one-fifth of the world's music."

Melodiya has recording centers including studios, pressing plants and storage facilities in the major cities of each republic — Alma Ata. Baku, Tashkent and Thlisi, for example. The accent was and is on classical music, although the average young Russian is currently hooked on Western hard rock. The head office in Moscow was never particularly interested in the folk music of Turkmenistan or Kyrgyzstan and sometimes never received a copy of the disk, let alone a safety-tape master copy. The system never worked and now, despite embryonic private competition, Mandelson says Melodiya "remains a virtual monopoly — a con-servative, moribund, exploitive creature of the state."—

At the moment, people have more distressing problems. Bread and guns for two. Nobody's buying folk records anyway. Master tapes rot in damp warehouses. Some are destroyed as a symbol of the old regime. Unable to pay free market prices for blank tape, regional studios and radio stations are tempted to recycle their stock, erasing what is already on it. Entire inventories might well be sold to



Ben Mandelson: Looking for recordings.

the first capitalist who comes through the door with \$100. Mandelson has seen a similar process take place in parts of Africa.

"They no longer feel a social obligation to keep one of everything," he says. "The old master tapes are not going to be around much longer. I hope I'm wrong, but I'd like to go and see for myself. I've planned trips to the republics before but have been denied visas. I want to go this summer at the latest, it may already

He has made friends in Gosconcert, the state booking agency. They can help, but only so far. The boss in Moscow sits there like a king with no throne. He has few samples from branch offices, if indeed that is what they still are, and there are in any case no blank cassettes to copy them on. Mandelson wants to go to the source in, for one, Turkmenistan, And he is looking for regional material like Armenian ouduk music, music played on the Azerbaijani tar (a Persian lute with a small figureeight body and a long neck) and in vocal music from Uzbekistan. Megabucks are not involved. just a few choice titles for his catalogue. But if he finds something, who has the right to sell it?

He has thought of going in, guerrilla-style, with a DAT tape machine, recording what he likes, paying for it on the spot and taking it out. Or he could buy existing stuff from whomever claimed the rights to it, though that might be the person who happened to have the keys to the office that day. Thinking of musicians who will never receive royalties and underpaid customs officials, he describes this method as a "dodgy card (o play."

Ideally, it should be up to local officials 10 catalogue the material and decide who owns it and at what price to sell it. Given current confusion and human nature, however, Mandelson considers this scenario unlikely to produce honest numbers. Taking a longer, more ambitious perspective, he would prefer that graduate students from Western universities go in and do the work for what would cost, on the scale of research grants, peanuts. In the process they could transfer the analog tape, which deteriorates, to digital, which doesn't, and make a safety copy in the process. Such archival activity would provide an ideal opportunity for postgraduate study. But official ap-plications would have to be sent to correct offices and it is anything but certain where they are and who's running them.

Quality has always been a problem with Melodiya. Mandelson has "bundles" of Melodiya recordings. "Tve bought them in Bulgaria, Poland, East Germany; wherever I could find them. Most of them sound awful. There was very little quality control. They pointed the microphones in the direction of the instruments, they played, they said 'O.K., goodbye.' Nobody controlled the intonation, the pressing, the jacket photos. State musicians got paid a salary. They welcomed dignitaries at airports, played with the state ballet, made records. They got paid anyway. They had no real interest if it was good or bad."

But he finds it hard to believe that any political system could kill musicians' pride in making good music and so he keeps looking: Sometimes you find fantastic stuff. Despite the system, there are incredible musicians out there with traditions that go back 800 years and who care about their music.

With recent social upheavals, defining "local" bas become a problem. Mandelson tells of a community of Jewish musicians from Bukhara, Uzbekistan, now living in New York City: "Incredible musicians, with singers and percussion players, They have a repertoire in seven languages. They understand Jewisb music, Muslim systems, Azerbaijani scales. They've gone from being state musicians to bustling in New York. They drive taxis, mend shoes. Classic immigrant stuff.

"They can't work as musicians. Who wants to hear Bukharan music in New York? But every year they have a festival in their neighborhood in Queens. I've heard them there. Maybe I should make my field recordings in PEOPLE

# Keeping 'Saigon' Full

knowledged buying unsold seats to the musical during the January-Febsuch purchases he could maintain the perception in the theater industry that "Miss Saigon" was the only new Broadway musical of the last two seasons to sell out consistently, when, in fact, there were periodically empty seats. Mackintosh says be bought the seats as "a marketing first year," a method he says he also used successfully with another of his Broadway shows, "Les Misérables."

"You can't force inspiration. It's like trying to catch a butterfly with a job as special envoy of the Archich. hoop, but no net. If you keep your op of Canterbury so he can write a mind open and receptive, though, one day a butterfly will land on your finger. When that happens, don't put a pin through it — write about it or draw it." Chuck Jones, the "father" of such cartoon characters as Bugs Bunny, Porky Pig, Daffy Duck and Elmer Fudd, was reminiscing about how he developed his animated cartoons. He was in New York to help promote "The Creative Spirit," a PBS series featuring his cartoons.

Brigitte Bardot has won a United Nations environment award, the U. N. Environment Program (UNEP) announced in Nairobi. Bardot was one of 74 individuals and organizations from 54 countries to receive UNEP's 1992 Global 500 awards for environmental achievement for her "tireless efforts to protect animals." 

Zuohuang Chen, 44, a Chineseborn conductor who was once sent to labor camp because of his interest in Western music, has been named director of the Rhode Island Philbarmonic Orcbestra. Chen, who also is conductor of the Wichita Symphony in Kansas, spent four years in a labor camp during Mao Zedong's Cultural Revolution. He said he smuggled scores into the camp, which he would study at night. "Somehow I could not convince myself that Bach, Beethoven and Mozart are so bad for people."

The executive producers of the 1989 box-office blockbuster "Bat-

Cameron Mackintosh, the pro-ducer of "Miss Saigon," has ac-its. Warner Bros. denied the clash. Benjamin Melniker and Mickel Uslan contend that Warner Bros ruary attendance slump. By making owes them at least \$8 million. They have been paid \$400,000 so far Before the film went into production, the producers say, Warner forced them to sign a modified contract in which they surrendered their share of the film's gross profits in exchange for credit as the film's executive producers. "Barstrategy for a mega-musical in its man" has taken in more than \$285 million worldwide, but Warner Bros, maintains it lost \$20 million when expenses are deducted

> book about his nearly five years in captivity as a hostage in Lebanor Waite, who was freed in November said he is taking up a fellowship in May at Cambridge University, where he will write Taken on Trust." . . Peggy Say, who traveled the globe seeking freedom for her brother, the former hostage Texry Anderson, says she plans to do vote her time to the world's orphans She has signed on to do voluntee work with Friends in the West, group that rescues orphans in war and famine-ravaged regions. Anderson was freed Dec. 4 after nearly seven years in captivity.

Leona Helmsley rues the day she posed as the queen of one of her New York hotels. The ads "killed me," Helmsley, 71, said in an interview on ABC's "20-20." Ads for the Helmsley Palace Hotel featured a picture of Helmsley wearing a crown and said "The only palace in the world where the queen stands guard." Helmsley begins a four-year prison sentence April 15 for evading \$1.7 million in taxes. 

The French magazine Paris-Match has published photos that British media had described but not printed, showing the Duchess of York in the company of the Texan Steve Wyatt. The photos reportedly contributed to the breakup of the marriage between the former Sarah Fergason and Prince Andrew, son of Queen Elizabeth II. The photographs reportedly were found in a London apartment that had been occupied by Wyatt, and were given Buckingham Palace.

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